

POSTMASTERS

ARKANSAS

Edward E. Dewey, Decatur.

NEW YORK

Louis Grenier, Faust.

OHIO

Clarence N. Greer, Dayton.

Marion D. Freeders, Fairfield.

Milan E. Croul, Killbuck.

Glenn C. Swartz, Polk.

Clare S. Myers, Roseville.

Grover C. Speckman, Warsaw.

Howard W. McCracken, Zanesville.

OKLAHOMA

Jack H. Kneedler, Kaw.

Ernest J. Winningham, Sentinel.

Robert R. McCarver, Wister.

PENNSYLVANIA

William Glenn Rumbaugh, Avonmore.

Theodore C. Lamborn, Berwyn.

James Robert McClure, Dillsburg.

Stephen R. Stefanik, Elmora.

Herbert H. Park, Gibsonia.

Theodore K. Hagey, Hellertown.

Earl S. Warmkessel, Laureldale.

Leon E. Shepherd, Malvern.

Homer C. Kifer, Manor.

Franklin M. Rorke, Meadowbrook.

Alexander Grafton Sullivan, New Kensington.

Charles L. Wagner, Paperville.

Mary E. Stewart, Petersburg.

John Edgar Schmidt, Ringtown.

Bertha M. Kintzer, Robesonia.

Irvin F. Mayberry, Schwenkville.

Joseph E. Staniszewski, Shamokin.

Wilson C. Reider, Shickshinny.

John N. Zimmerman, Sunbury.

Bessie S. Ferrell, Westtown.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 27, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou great Jehovah, our God and our Father, we praise Thee that the essence of life is divine. Blessed Lord, it is an inspiration to see visions, greater to do, but greatest of all to be; therefore let this be our canticle of character; let it go singing along the paths of space:

Lo, I come: in the volume of the book it is written of Me: I delight to do Thy will, O my God: yea, Thy law is within my heart. The Lord bless thee and keep thee; the Lord make His face shine upon thee and be gracious unto thee; the Lord lift up His countenance upon thee and give thee peace.

Both now and ever. In the name of our Saviour who forgot Himself, even in death. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On July 17, 1939:

H. R. 3576. An act to make effective the provisions of the Officers' Competency Certificates Convention, 1936.

On July 18, 1939:

H. R. 733. An act for the relief of S. A. Rourke;

H. R. 4370. An act authorizing the city of Chester, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near Chester, Ill.;

H. R. 4499. An act authorizing the county of Gallatin, State of Illinois, its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near the city of Shawneetown, Gallatin County, Ill., to a point opposite thereto in the county of Union, State of Kentucky;

H. R. 5288. An act to amend section 691-a of the Code of Law of the District of Columbia, approved March 3, 1901, and of any act or acts amendatory thereof relating to foreign building and loan associations doing business in the District of Columbia; and

H. R. 5479. An act granting annual and sick leave with pay to substitutes in the Postal Service.

On July 19, 1939:

H. R. 1882. An act for the relief of Otis M. Culver, Samuel E. Abbey, Joseph Reger, and August H. Krueger;

H. R. 2296. An act to restore certain benefits to World War veterans suffering with paralysis, paresis, or blindness, or who are helpless or bedridden, and for other purposes;

H. R. 5452. An act to provide certain benefits for World War veterans and their dependents, and for other purposes; and

H. R. 6836. An act to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, as amended.

On July 20, 1939:

H. R. 5748. An act to amend the Second Liberty Bond Act, as amended; and

H. J. Res. 329. Joint resolution consenting to an interstate oil compact to conserve oil and gas.

On July 25, 1939:

H. R. 2168. An act to authorize the Secretary of War to make contracts, agreements, or other arrangements for the supplying of water to the Golden Gate Bridge and Highway District;

H. R. 3081. An act for the relief of Margaret B. Nonnenberg;

H. R. 3364. An act to transfer the control and jurisdiction of the Park Field Military Reservation, Shelby County, Tenn., from the War Department to the Department of Agriculture;

H. R. 3614. An act for the relief of Frank M. Croman;

H. R. 4391. An act for the relief of H. W. Hamlin;

H. R. 4617. An act for the relief of Capt. Robert E. Coughlin;

H. R. 5494. An act for the relief of John Marinis, Nicolaos Elias, Ihoanis or Jean Demetre Votsitsanos, and Michael Votsitsanos;

H. R. 5523. An act authorizing the States of Minnesota and Wisconsin to construct, maintain, and operate a free highway bridge across the St. Croix River at or near Osceola, Wis., and Chisago County, Minn.;

H. R. 5785. An act granting the consent of Congress to the State of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Georgetown, Miss.;

H. R. 5786. An act granting the consent of Congress to the State of Mississippi or Madison County, Miss., to construct, maintain, and operate a free highway bridge across Pearl River at or near Ratliffs Ferry in Madison County, Miss.;

H. R. 5963. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.;

H. R. 5964. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stites, Ill.;

H. R. 5984. An act granting the consent of Congress to the county of Allegheny, Pa., to construct, maintain, and operate free highway bridges across the Monongahela River, in Allegheny County, State of Pennsylvania;

H. R. 6045. An act to authorize the Secretary of the Navy to accept on behalf of the United States certain land in the

city of Seattle, King County, Wash., with improvements thereon;

H. R. 6065. An act to authorize major overhauls for certain naval vessels, to authorize the acquisition of two motor vessels for the Navy, and for other purposes;

H. R. 6070. An act to amend section 5 of the act of April 3, 1939 (Public, No. 18, 76th Cong.);

H. R. 6079. An act granting the consent of Congress to the Arkansas State Highway Commission to construct, maintain, and operate a free highway bridge across the Black River at or near the town of Black Rock, Ark.;

H. R. 6111. An act to extend the times for commencing and completing the construction of a bridge across the Red River at or near a point suitable to the interests of navigation from a point in Walsh County, N. Dak., at or near the terminus of North Dakota State Highway No. 17;

H. R. 6205. An act to provide for additional clerk hire in the House of Representatives, and for other purposes;

H. R. 6502. An act granting the consent of Congress to the State of Minnesota or the Minnesota Department of Highways to construct, maintain, and operate a free highway bridge across the Mississippi River at or near Little Falls, Minn.;

H. R. 6527. An act granting the consent of Congress to the commissioners of Mahoning County, Ohio, to replace a bridge which has collapsed, across the Mahoning River at Division Street, Youngstown, Mahoning County, Ohio;

H. R. 6578. An act granting the consent of Congress to Northern Natural Gas Co. of Delaware to construct, maintain, and operate a pipe-line bridge across the Missouri River;

H. R. 6672. An act to amend the act entitled "An act to create a new division of the District Court of the United States for the northern district of Texas," approved May 26, 1928 (45 Stat. 747);

H. R. 6748. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Winona, Minn.;

H. R. 6928. An act to extend the times for commencing and completing the construction of a bridge across the Niagara River at or near the city of Niagara Falls, N. Y., and for other purposes; and

H. R. 7052. An act to provide a posthumous advancement in grade for the late Ensign Joseph Hester Patterson, United States Navy.

On July 26, 1939:

H. R. 1883. An act for the relief of Marguerite Kuenzi;

H. R. 2967. An act to grant to the State of California a retrocession of jurisdiction over certain rights-of-way granted to the State of California over a certain road about to be constructed in the Presidio of San Francisco Military Reservation;

H. R. 3305. An act for the relief of Charles G. Clement;

H. R. 4155. An act for the relief of Mary A. Brummal;

H. R. 5036. An act authorizing the State highway departments of North Dakota and Minnesota and the counties of Grand Forks of North Dakota and Polk of Minnesota to construct, maintain, and operate a free highway bridge across the Red River near Thompson, N. Dak., and Crookston, Minn.;

H. R. 5064. An act to amend the act approved June 25, 1910, authorizing establishment of the Postal Savings System;

H. R. 5525. An act to extend the times for commencing and completing the construction of a bridge over Lake Sabine at or near Port Arthur, Tex., to amend the act of June 18, 1934 (48 Stat. 1008), and for other purposes;

H. R. 5735. An act to authorize the acquisition of additional land for military purposes;

H. R. 5781. An act to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point and Dauphin Island, Ala.;

H. R. 6577. An act to provide revenue for the District of Columbia and for other purposes;

H. R. 6876. An act to make uniform in the District of Columbia the law on fresh pursuit and to authorize the Commissioners of the District of Columbia to cooperate with the States;

H. J. Res. 247. Joint resolution to provide minimum national allotments for cotton;

H. J. Res. 248. Joint resolution to provide minimum national allotments for wheat;

H. J. Res. 342. Joint resolution relating to section 322 of the Agricultural Adjustment Act of 1938, as amended; and

H. J. Res. 343. Joint resolution to amend section 335 (c) of the Agricultural Adjustment Act of 1938, as amended.

PERMISSION TO ADDRESS THE HOUSE

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. Ludlow]?

There was no objection.

[Mr. Ludlow addressed the House. His remarks appear in the Appendix.]

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter from Mr. McNutt.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. Ludlow]?

There was no objection.

EXTENSION OF REMARKS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. O'Connor]?

Mr. RAYBURN. Mr. Speaker, reserving the right to object, it was the understanding that we would not do that. If remarks were extended on a bill under consideration and they were germane to the bill, they could go in the RECORD at this point. We agreed that extension of remarks would not go in the front of the RECORD, Mr. Speaker, but in the Appendix.

Mr. O'CONNOR. Mr. Speaker, I have no objection to that. I ask unanimous consent to extend my own remarks in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. O'Connor]?

Mr. RICH. Mr. Speaker, reserving the right to object, may I call the attention of the gentleman to the fact that the daily CONGRESSIONAL RECORD states on the front page each day that it is the proceedings and debates of the Seventy-sixth Congress, first session. I quote from yesterday's RECORD, which contained 175 pages, a large volume, over 30 percent of which consists of requests made by Members of the House to extend their remarks in the RECORD. Mr. Speaker, that is quite a volume and the heading of the RECORD is not exactly what it says it is. It is not the truth. It states that it is the proceedings and debates of the Congress, which is not the case. It contains much other matter than what happens in the House or Senate. We ought to change the heading of the CONGRESSIONAL RECORD or the majority leader should try to get the Senate to make it a record of Congress. That body promised to do that, but it has not fulfilled its promise. I hope the Democratic Party, that is in power and responsible for these large RECORDS, will assume its responsibility.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. O'Connor]?

Mr. RAYBURN. Mr. Speaker, reserving the right to object, I may say to the gentleman from Pennsylvania [Mr. Rich] that he gets his remarks in at the beginning of the RECORD usually and is not called upon to extend his remarks. Other Members do not take as many minutes in the beginning of the session as the gentleman does. Furthermore, the gentleman is a member of the Joint Committee on Printing and I keep on calling his attention to that fact.

Mr. RICH. I cannot do a thing with the committee. That is the trouble. They should confine it to the work of Congress or change the title page.

Mr. RAYBURN. I do not know how much power the gentleman has, but he does have some responsibility.

Mr. RICH. That is the reason I am calling upon the gentleman from Texas.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. O'CONNOR]?

There was no objection.

GOVERNMENTAL EXPENDITURES

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, my friend, the gentleman from New York [Mr. TABER], usually accurate and always interesting, states on the floor that the total appropriations for the last session amounted to \$13,371,000,000 and that in this session, up to this time, they aggregate \$13,836,000,000.

In order to alleviate any trepidations which may have been occasioned by the statement, may I call attention, first to the fact that the actual appropriations for the third session of the Seventy-fifth Congress were \$12,182,073,028, a discrepancy of approximately \$1,600,000,000.

Mr. TABER. Will the gentleman yield?

Mr. CANNON of Missouri. With pleasure, if the gentleman will permit me to have time to answer him.

Mr. TABER. I will try to get the gentleman an additional minute.

Mr. CANNON of Missouri. Mr. Speaker, the same situation prevails with reference to the statement of appropriations for the current session. Instead of \$13,836,000,000, the actual figures compiled up to this time show the amount to be definitely under \$13,000,000,000, a difference in the two figures considerably in excess of \$2,000,000,000.

[Here the gavel fell.]

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, I gave some figures day before yesterday with reference to the actual appropriations of the last session of Congress and of this session. The gentleman from Missouri has given figures today that do not agree with mine. My figures agree with the figures that the clerk of the Committee on Appropriations has over at the committee room. Last year I submitted an itemized statement. This year I shall submit an itemized statement. The reason the gentleman's figures do not agree with mine is that he does not include reappropriations of funds which would expire if they were not reappropriated. I do, because I feel that the money would not come out of the Treasury without the reappropriation.

[Here the gavel fell.]

CIVIL AERONAUTICS AUTHORITY

Mr. BENDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. Mr. Speaker, In 1938 over 81,000,000 air-miles were flown for profit by commercial air lines; 1,536,111 passengers were carried. To do this splendid job 13,309 employees were required. Of this number, 4,724 work in air-line offices.

To supervise these operations the Civil Aeronautics Authority uses almost 3,600 persons. Something must be peculiar in an arrangement which requires 3,600 bureaucrats to regulate 4,724 office workers, or even 13,000 employees. [Applause.]

EXTENSION OF REMARKS

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein a short newspaper article on the spending-lending program.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein an editorial concerning the Honorable HAMILTON FISH.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein a brief series of resolutions by the McKeesport Council.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ELSTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein a radio address by Senator TAFT, of Ohio.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein an article from the Christian Science Monitor with reference to the salmon industry on the Columbia River. I also ask unanimous consent to extend my remarks in the Record and include an article appearing in today's Washington Post entitled "Money Goes Begging."

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, next Monday is the fifth Monday of this month. Every other Monday the calling of the Consent Calendar and motions to suspend the rules are in order. So many Members are interested in the Consent Calendar, the Private Calendar, and in motions to suspend the rules with regard to certain measures that I ask unanimous consent that on next Monday it shall be in order for the Speaker to recognize Members to move to suspend the rules, and that it shall also be in order to call the Consent Calendar and the Private Calendar, not for omnibus bills but for individual bills on the Private Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONSTRUCTION CHARGES ON UNITED STATES RECLAMATION PROJECTS

Mr. WHITE of Idaho. Mr. Speaker, I call up the conference report on the bill (H. R. 6984) to provide a feasible and comprehensive plan for the variable payment of construction charges on United States reclamation projects, to protect the investment of the United States in such projects, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

Mr. RICH. Reserving the right to object, Mr. Speaker, will the gentleman explain the effect of this conference report?

Mr. WHITE of Idaho. I may state to the gentleman that this is to bring money into the Treasury that is not coming in now. I will state further that the statement of the managers will better explain the conference report, and I think it will be satisfactory to the gentleman.

CALL OF THE HOUSE

Mr. SECCOMBE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. RAYBURN. Mr. Speaker, I move a call of the House. A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 146]

Alexander	Crowther	Hartley	Reed, N. Y.
Andresen, A. A.	Cummings	Hennings	Rodgers, Pa.
Bolton	Curley	Holmes	Routzohn
Boren	Dies	Hook	Sasser
Bradley, Mich.	Dingell	Kennedy, Martin	Secrest
Buckley, N. Y.	Douglas	Landis	Shafer, Mich.
Burdick	Duncan	Lanham	Short
Byron	Eaton, Calif.	McMillan, Thos. S.	Smith, Ill.
Caldwell	Eaton, N. J.	Maclejewski	Smith, Maine
Cannon, Fla.	Fernandez	Magnuson	Stearns N. H.
Cluett	Fish	Massingale	Stefan
Cole, Md.	Fitzpatrick	Mitchell	Sumners, Tex.
Cole, N. Y.	Flannagan	Osmer	Thomas, N. J.
Connery	Flannery	Patman	Weaver
Cooley	Ford, Thomas F.	Pierce, N. Y.	Welch
Courtney	Gifford	Rabaut	Woodruff, Mich.

The SPEAKER. On this roll call 364 Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

CONSTRUCTION CHARGES ON UNITED STATES RECLAMATION PROJECTS

The SPEAKER. The gentleman from Idaho asks unanimous consent that the statement may be read in lieu of the report.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, I am not going to object to this unanimous-consent request, with the understanding that the gentleman from Idaho will take a little time to explain the Senate amendments when we reach the conference report itself.

Mr. WHITE of Idaho. I will be perfectly willing to do that; and I may say for the information of the gentleman from Massachusetts that the Senate amendments have been gone into in some detail in the statement of the conferees, but I shall be pleased to enlarge upon the statement or explain it further, as the gentleman may desire.

Mr. FADDIS. Reserving the right to object, Mr. Speaker, I would like to inquire of the gentleman from Idaho just what provision will be made with respect to time on this report?

Mr. WHITE of Idaho. It is not expected there will be any controversy over the report. I believe an agreement has been reached with both sides of the House that a brief explanation will be made, and then the previous question will be ordered and we will vote on the matter.

Mr. FADDIS. I think the gentleman is taking quite a good deal for granted in making that statement.

Mr. MARTIN of Massachusetts. I think the gentleman from Idaho is going too far when he states there is no controversy concerning the conference report, and I do believe he should yield a reasonable time to anyone who wants to discuss the conference report.

Mr. WHITE of Idaho. I shall be perfectly willing to do that.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6984) to provide a feasible and comprehensive plan for the variable payment of construction charges on United States reclamation projects, to protect the investment of the United States in such projects, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, and 5, and agree to the same.

COMPTON I. WHITE,
KNUTE HILL,
Managers on the part of the House.
ALVA B. ADAMS,
JOSEPH C. O'MAHONEY,
CHAN GURNEY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6984) to provide a feasible and comprehensive plan for the variable payment of construction charges on United States reclamation projects, to protect the investment of the United States in such projects, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendment No. 1: This Senate amendment adds clarifying language to explain the purposes of the bill. It does not change any of the objectives of the measure as it passed the House.

On amendment No. 2: This Senate amendment is also clarifying in its effect and makes no substantial change in the effect of the bill as it passed the House.

On amendment No. 3: This Senate amendment reduces the minimum rate of interest on the share of construction cost attributed to power construction which may be considered by the Secretary as a factor in determining the rates at which electric power may be sold.

On amendment No. 4: This Senate amendment grants a preference in the sale of power from reclamation projects to municipalities and other public corporations or agencies; and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936 and any amendments thereof. As the bill was originally introduced it contained a clause granting a preference right to "municipalities and other public corporations or agencies and to cooperatives." The Senate amendment limits the preference to such cooperatives and other nonprofit organizations as may be financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936 and any amendments thereof.

On amendment No. 5: This Senate amendment was introduced as a saving clause to preserve the rights now held by certain particular projects. It does not change the effect or purpose of the bill.

The House conferees agreed unanimously to recede from amendments 1, 2, 3, and 5.

With respect to amendment No. 4, which reads as follows:

"Provided further, That in said sales or leases preferences shall be given to municipalities and other public corporations or agencies; and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936 and any amendments thereof," the House conferees agreed to recede by a vote of 2 to 1, the negative vote having been cast by Mr. HAWKS.

COMPTON I. WHITE,
KNUTE HILL,

Managers on the part of the House.

The SPEAKER. The gentleman from Idaho is recognized for 1 hour.

Mr. WHITE of Idaho. Mr. Speaker—

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry. Is there not a typographical error in this conference report?

Mr. WHITE of Idaho. Yes; and I want to explain that. That mistake is only in the statement and the language of the amendment is correct. The first line of the amendment states "that in said sales or leases preferences shall be given to municipalities." That is the way the language is in the amendment, but there is a typographical error in the statement accompanying the report.

Mr. RANKIN. In the statement the word "no" is used instead of the word "to."

Mr. WHITE of Idaho. Yes.

Mr. MARTIN of Massachusetts. The gentleman realizes when this bill was here before it was passed by unanimous consent and that it was reported out by the committee unanimously because a so-called power amendment was not included. The intent of the House to have this amendment eliminated was quite plain. The other branch of the Congress inserted it. Now, the gentleman, I presume, naturally went into this conference to uphold the position of the House and I want to ask the gentleman if he worked very diligently to bring that about.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I would like to answer the question of the gentleman from Massachusetts.

Mr. RANKIN. First, I want to correct the gentleman with respect to his question.

Mr. WHITE of Idaho. I have yielded to the gentleman from Massachusetts and I will state for the information of

the gentleman from Massachusetts that this bill, in its present form, is practically in the form in which it was prepared by the Department to effectuate the recommendation of the Repayment Commission. It was considered and amended in the committee and the amended bill was reintroduced. When the new bill came up for approval it was again amended, and, as the gentleman states, when it went to the Senate they restored the provision giving preference to municipalities and cooperatives. This was discussed at length in the conference and finally an agreement was reached with the Senate and the bill is brought back here in its present form.

Mr. MARTIN of Massachusetts. I believe the conferees from the House should uphold the viewpoint of the House, and I would like to know whether the gentleman made any effort in that direction.

Mr. WHITE of Idaho. The managers on the part of the House, naturally, would sustain the position of the House.

Mr. MARTIN of Massachusetts. Yes or no, did you try to have the House viewpoint prevail?

Mr. WHITE of Idaho. We did.

Mr. HILL. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield.

Mr. HILL. I call the attention of the gentleman from Idaho to the fact that this amendment is different from the one that came before the House. The last part of the amendment states, "financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936, and any amendments thereof"; and since that was different from what we acted on in the House, we thought it was only fair to bring it back here for the Members of the House to act on, because this amendment is different from the one rejected by the House.

Mr. MARTIN of Massachusetts. I understand that, but the point I am making is, we passed this measure unanimously in the House and, of course, with that fact in mind, I think the gentleman from Idaho should have made an effort to uphold the viewpoint of the House, and I understand he states he did that.

Mr. HILL. I just wanted to call attention to the fact that this is a different amendment.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Mississippi.

Mr. RANKIN. I call the attention of the gentleman from Massachusetts [Mr. MARTIN] to the fact that when this bill was first agreed on by the committee of which the gentleman from Idaho [Mr. WHITE] is chairman, the full committee agreed a bill should be reported out with a similar provision to that now in the bill.

Mr. WHITE of Idaho. That is correct.

Mr. RANKIN. Then when they went back to ratify what the full committee had done, only a few members were present, and that provision was stricken out. When the gentleman from Massachusetts says that the House unanimously agreed to that, I think he should correct his remarks, for this reason. When the bill was brought here, it was brought to the House, under unanimous consent, and passed, because when a bill is taken up under unanimous consent, it is usually agreed that it goes on through without amendment, but when it went to the Senate, the Senate put in this amendment, which in effect is the provision agreed upon by the full Committee on Irrigation and Reclamation.

Mr. WHITE of Idaho. Mr. Speaker, I yielded only for a question. I think I can explain the proceedings of the committee.

Mr. MARTIN of Massachusetts. Mr. Speaker, I think we are all genuinely interested in promoting proper irrigation and reclamation. I believe the West needs a program, and there is no disposition on my part to oppose anything which is reasonable. I would like to inquire if it is the purpose of the amendment to give preference to power over reclamation?

Mr. WHITE of Idaho. It is not. Power is subsidiary to reclamation. It is only available where the storage dam raises the water to a sufficient level. This is a conservation

measure that utilizes the power created in connection with the reclamation project. The main thing in this bill is reclamation, and, further than that, it is designed to bring into the Treasury the money that has been expended on these reclamation projects, to insure repayment on some practical plan. It is the most practical plan that could be devised, and I hope the House will agree to it.

Mr. MARTIN of Massachusetts. I am very glad to be reassured upon that point. There is one thing more that I do not understand. Why is it the Senate should insist on the amendment, when in the report it says it does not materially change the present status?

Mr. WHITE of Idaho. If we had deleted the amendment we would still have the existing law. This only qualifies it and extends it. These projects are financed by money appropriated by this Congress.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Pennsylvania.

Mr. RICH. The statement of the managers on the part of the House says this of amendment No. 3:

The Senate amendment reduces the minimum rate of interest on the share of construction cost attributed to power construction which may be considered by the Secretary as a factor in determining the rates at which electric power may be sold.

What reduction was made in the rate of interest?

Mr. WHITE of Idaho. One-half of 1 percent, and the Government still makes a big profit, because it borrows money at a lower rate than the rate fixed in this bill. The Government is making a profit on the interest, and we have extended those benefits to these reclamation projects.

Mr. RICH. What rate of interest are they now bearing?

Mr. WHITE of Idaho. Under the bill it is a minimum of 3 percent. Different amounts are fixed.

Mr. RICH. Who has the authority to say what amount of the construction shall be attributed to power?

Mr. WHITE of Idaho. That is determined by the Bureau of Reclamation and the engineers that make the examination, who set up the plan. Nobody can know in advance of the estimates made by the engineers what part of the cost of a project is chargeable to power development.

Mr. RICH. Has the Reclamation Bureau made any changes in any of these projects for the amount attributed to power and the amount attributed to reclamation?

Mr. WHITE of Idaho. It has not. It proceeds under well-defined rules.

Mr. HAWKS. Mr. Speaker, several members of the committee want some time on this, and I ask the gentleman from Idaho whether he will yield this side 20 minutes.

Mr. WHITE of Idaho. Mr. Speaker, a parliamentary inquiry. How much time have I remaining?

The SPEAKER. The gentleman has consumed 10 minutes.

Mr. WHITE of Idaho. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. HAWKS] 5 minutes.

Mr. HAWKS. I would like to have 20 minutes for the rest of the committee.

Mr. WHITE of Idaho. I will give the gentleman 20 minutes if he will allocate it on his side.

The SPEAKER. It is contrary to the usual practice for the chairman of a conference to yield time to other Members to be in turn yielded by them. The gentleman may yield such time as he desires to individual Members.

Mr. WHITE of Idaho. Then I withdraw that, Mr. Speaker, and I yield 5 minutes to the gentleman from Wisconsin [Mr. HAWKS].

Mr. HAWKS. Mr. Speaker, in answer to the gentleman from Mississippi [Mr. RANKIN] I would like to make the statement that it was the desire of the chairman of this committee [Mr. WHITE] that this bill, which was designed primarily for the relief of water users, be reported out of the committee unanimously. Naturally the fight in the committee was over the proviso that has been put back into the bill by the Senate amendment. There was no compromise in the committee on the part of those opposed to this particular power clause in this water-relief measure. The

minority and those opposed to this power clause in the bill were determined that they were going to make a minority report on the bill and that they would not sign the report of the committee as being a unanimous statement.

That is contrary to the statement of the gentleman from Mississippi [Mr. RANKIN]. In the matter of the vote that was originally taken that vote was divided 7 to 6, as I recall it, for the bill.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. HAWKS. I yield.

Mr. WHITE of Idaho. Is it not a fact that this question was put in the committee by a majority of the committee, and the amendment was disagreed to, and the provision in the original bill stayed there?

Mr. HAWKS. The original provision?

Mr. WHITE of Idaho. Yes.

Mr. HAWKS. No.

Mr. WHITE of Idaho. It was not in the original bill?

Mr. HAWKS. In the original bill, yes; that is right; but not by unanimous agreement.

Mr. WHITE of Idaho. I did not say by unanimous agreement. I said it was by a vote of the committee.

Mr. HAWKS. That is right. That is exactly what I said.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. HAWKS. I yield.

Mr. MAY. I would like to ask the gentleman for some information with respect to the authority to make contracts, under the report as it comes in here, as the legislation will be written. I would like to ask whether or not they can make them even to the extent of 40 years?

Mr. HAWKS. That is right.

Mr. MAY. A 40-year contract?

Mr. HAWKS. As I understand it; yes.

Mr. TABER. Mr. Speaker, will the gentleman yield for a question?

Mr. HAWKS. I will be glad to yield.

Mr. TABER. The result of this amendment is that those who already have been favored by the Federal Government having granted them loans would get more special privileges; is it not?

Mr. HAWKS. That is the design of this legislation.

Mr. TABER. The reason it is opposed is because it hands out special privileges to one group of people rather than to the people generally?

Mr. HAWKS. I would like to remind the gentleman from New York that that has been the philosophy of the New Deal power program throughout. This amendment, which was placed in the bill by the committee of conference, I was not opposed by the two Democratic conferees. I opposed this amendment and refused to sign the report. I do not believe that this bill with the Senate amendment represents the will of the House of Representatives. I believe that by receding and concurring in the Senate amendment we are giving in to the Senate. I had hoped that the two Democratic conferees would make a fight, but they are excusing this on the ground that the Senate amendment does not compare with the original power provision in the bill. However, if you will analyze the amendment as it is put into the bill on page 22, line 11, I think you will agree that there is not a great deal of difference between that language and the language in the original bill.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HAWKS. I yield.

Mr. RICH. Does it grant any particular extension of time for the collection of reclamation rents?

Mr. HAWKS. It only extends it to this extent: They disregard the moratorium period, but go right on with the original 40-year plan.

[Here the gavel fell.]

Mr. WHITE of Idaho. Mr. Speaker, I yield 5 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker and Members of the House, the primary purpose of this bill is stated in the conference report:

The committee find that the proposed legislation is adequate to provide flexibility in the annual construction charges under repayment contracts, so that repayment obligations of the reclamation projects each year will move up or down contemporaneously with increases or decreases in the crop returns realized by the farmers.

In other words, it gives the farmers some chance, in case of a complete loss, so that their rights will not be imperiled or in any wise foreclosed.

Other provisions of the proposed legislation provide for simplifications and economies in administration of the reclamation program and provide a sound basis for undertaking new construction.

Now, with reference to this amendment about which there has been so much talk, it really is not of much importance one way or the other. The bill as originally presented to the committee, which I think a majority of the committee agreed upon, contained substantially the same language that is now the subject of controversy before the House.

The original bill before the Committee on Reclamation provided that in such sales of leases preference shall be given municipalities and other corporate corporations or agencies, and also to cooperatives and other nonprofit organizations, and then it stopped at that. The Senate added these words:

Financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936 and any amendments thereof.

Mr. Speaker, the purpose of placing that language in the bill was simply to legalize a practice that the Reclamation Bureau has been following for years; in fact, since the basic act was passed. Preferences were given to cooperatives for the purpose of assisting rural electrification. Commissioner Page testified before the Committee on Irrigation and Reclamation that that was the practice generally followed. He said it did not make much difference to him whether it was in the bill or out if the practice of the past was not interfered with. This information came out as the result of a question by the gentleman from Texas [Mr. THOMASON], asking if a court had ever passed upon the right to pursue that policy under the original act. He said the policy had never been questioned, and as long as it was not questioned he was not particular about whether the amendment was in there or not.

So, what I want the House to understand is that this has been a practice of the Reclamation Bureau to give preference to just such organizations as are named in this amendment. It is not anything over which the House should become disturbed; it does not alter anything that has been done in the past nor does it establish any new policy on the part of the Bureau. It does not add any additional burden to the power companies of the country; it does not take anything away from them. So, as I said before, there is no occasion for any disagreement about this.

Mr. LEAVY. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. LEAVY. In addition to carrying out what has been the policy of reclamation since the basic act was passed in 1902—that is, of favoring municipalities in the sale of surplus power—this assures that rural electrification projects shall be included in that class, and that is all it does.

Mr. O'CONNOR. That is all it does. I want to thank the gentleman from Washington for his very valuable contribution, because that is the identical thing the Reclamation Department has been doing.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. MAY. Does the gentleman believe it is a wise policy for the Government to be a party to contracts running as long as 40 years?

Mr. O'CONNOR. That always depends upon the circumstances of the case. For instance, the Boulder River Dam project contracts run for 50 years. So there is nothing to get excited about. We are not taking a thing away from the power companies or giving them anything.

Mr. MAY. I did not have any reference to power companies. I simply asked about the wisdom of these long-term contracts.

Mr. O'CONNOR. What we are trying to do by this bill is to legalize a practice that has been followed since the inception of building up these irrigation projects.

Mr. HAWKS. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. HAWKS. Will the gentleman please tell the House just why a similar amendment was taken out of the House bill?

Mr. SHEPPARD rose.

Mr. O'CONNOR. I will tell the gentleman why. First of all, the committee voted the amendment in by a majority vote. I think there were several votes against it, but the majority voted for it. It was taken out upon the theory of legislative expediency in that we did not want to have any trouble with the bill's passing the House. We thought we might secure the passage of the bill easier with the amendment stricken out than if it were retained in the bill, because we anticipated somebody might object to it upon the ground that we might be giving preference to power over reclamation.

I now yield to the gentleman from California.

Mr. SHEPPARD. The only question I was going to ask was in response to the gentleman from Kentucky as to the necessity for the 40-year contracts. It is almost imperative that they be spread over a long period of years to give them a chance to liquidate on a reasonable basis.

Mr. O'CONNOR. I thank the gentleman from his contribution.

As I say, I ask the Members of the House to approve this amendment because as I said before, and it cannot be repeated too often, it simply legalizes a practice that has been indulged in since the basic act was passed.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. RANKIN. Since we are lending hundreds of millions of dollars for the purpose of building rural power lines is there any reason on earth why we should not at least put rural-electrification projects on a par with the municipalities?

Mr. O'CONNOR. That is it exactly.

Mr. RANKIN. We should let them have this preference.

Mr. O'CONNOR. Exactly, they should have this right.

Mr. RANKIN. I can see no objection to it.

Mr. O'CONNOR. Mr. Speaker, I yield back the balance of my time.

Mr. WHITE of Idaho. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. WINTER].

Mr. WINTER. Mr. Speaker, the controversial questions that have arisen under this bill were threshed out in the Committee on Irrigation and Reclamation, and this particular amendment, although not exactly in the terms in which it is now couched, was stricken from the bill.

I repeat, this particular amendment was stricken from the bill for the reasons stated by the gentleman from Montana [Mr. O'CONNOR]. We discussed this problem and we had a vote on it in the committee. With the proxies that the chairman of that committee had in his pocket, the proposition was defeated by one vote.

Those of us who are opposed to this amendment are not opposed to irrigation and reclamation, but we are opposed to bringing the power question into an irrigation and reclamation project. The primary purpose of irrigation and reclamation, as I understand it, is to bring relief from the water-users' standpoint and reclamation of the lands to the people of the various States who participate in such a program. The purpose of power is a secondary proposition.

We have this power question brought into this bill, and I say to you in all candor and fairness I think the amendment changes the entire power policy of the Irrigation and Reclamation Department of the United States Government.

Mr. WHITE of Idaho. Will the gentleman yield?

Mr. WINTER. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Is it not a fact that that very language is now in the law?

Mr. WINTER. It is not.

Mr. WHITE of Idaho. If the gentleman will read the Reclamation Act he will find that is true.

Mr. WINTER. Here is what the Reclamation Act says:

The Secretary of the Interior is authorized to lease for a period not exceeding 10 years, giving preference to municipal purposes.

That is all it says. They could lease it to me for municipal purposes or they could lease it to anyone else.

Mr. WHITE of Idaho. If that is not the spirit of the act, what is it?

Mr. WINTER. The spirit of the amendment is to limit the sale of surplus power to municipalities, public corporations, and to the R. E. A., nothing else.

Mr. HAWKS. Will the gentleman yield?

Mr. WINTER. I yield to the gentleman from Wisconsin.

Mr. HAWKS. The amendment says that "In said sales or leases preference shall be given."

Mr. WINTER. Yes; it says "shall," and as I interpret the meaning of that word, and as it has been interpreted by various courts, "shall" means must.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WINTER. I yield to the gentleman from Montana.

Mr. O'CONNOR. Time is short. Congress will be adjourning shortly. If this conference report is not agreed to, we might imperil the passage of this bill during this session. I know the gentleman and every Member serving on the Reclamation Committee is in favor of this bill so far as reclamation is concerned, and every Member worked diligently to report the bill out. I do not believe the gentleman feels this amendment seriously changes the set-up, in light of the practice of the Reclamation Department since the passage of the basic act. I believe the gentleman ought to take that into consideration in connection with the whole matter today.

Mr. WINTER. I think it does change the whole power policy of the Government. It changes the entire policy of the Irrigation and Reclamation Department. The way this thing is working now is shown by the testimony given by Mr. Page, Commissioner of Reclamation, who stated, in answer to a question by the gentleman from Montana [Mr. THORKELOSON]:

We have many dealings with utilities, and we have never had any difficulties with the utilities.

They are selling that power to the utilities on many of these projects; but under this amendment, if some municipality or one of these R. E. A. corporations or other public corporation wants this power, the law says they shall have preference over a contract that has already been entered into. If you will read this report you will find that Mr. Page stated they draw their contracts in such way that they can withdraw that power from any private corporation that they lease it to in the event that a public corporation may desire it.

Mr. O'CONNOR. If there is any excess power, this amendment simply gives preference to these cooperatives, municipalities, and so forth. And in such cases the excess power may be sold to the utilities just the same as has been the case in the past.

Mr. WINTER. That is true if there is any excess power that those given preference do not want.

[Here the gavel fell.]

Mr. WHITE of Idaho. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Speaker, I want to point out that this conference report in its present form now before us is designed for the protection of the water users throughout the West wherever irrigation prevails, and it is for the protection of the United States Government as well. Many of these great projects are eminently successful, as I could point out, for instance, the Salt River Water Users' Association in my State, but other projects have been less successful and have been granted relief in years past. During the last few years of the depression we have granted them a moratorium—a blanket moratorium whether they needed it or not. What we want to do is to get away from that sort of thing by giving each project which chooses it

a new contract which will enable it to shape its repayments according to the crops, this being changed up or down annually. This is for the protection of the distressed farmers and is also for the protection of the reclamation fund of the Government itself.

May I say in regard to this 40-year contract it is not new in this bill, for under existing law it is now a policy of the Reclamation Service to enter contracts for repayments of construction costs over a period of 40 years. This measure in no way changes that. It is the intent of this measure to spread the cost of construction of new projects over a period of 40 years, without interest charge, and on the most liberal terms consistent with security. It is the spirit of this bill to extend to existing projects which accept it the same liberality of repayment of construction costs without interest.

And now just a word to my friends on the other side of the aisle, some of whom I feel are making a mountain out of a mole hill. I make this statement concerning the power item in all sincerity. You who are the guardians of the utilities object to giving a little preference to the R. E. A. I believe if you will look it up you will find that the practice has been for the R. E. A. to get little more preference out of the Bureau of Reclamation than do the private utilities, although municipalities do. I wish the R. E. A. to have preference. The Bureau has given preference to municipal purposes, which is now in the law. I want to emphasize prevailing practice of the Bureau of Reclamation.

Mr. HAWKS. Will the gentleman yield?

Mr. MURDOCK of Arizona. Briefly.

Mr. HAWKS. The gentleman said we were guardians of the utilities. Has he any proof of that?

Mr. MURDOCK of Arizona. I meant no offense. In a certain sense I am such a guardian, but, of course, I am more of a guardian of miners, stockmen, and farmers, in watching legislation, for such are my constituents. May I say to those who try to make this matter an issue between private power and public power that this bill gives preference to a new agency, the R. E. A., which is one of the saving agencies to the irrigated regions of the West. The United States Government is investing vast sums of money in that agency. I have new R. E. A. projects in Arizona. Right now the farmers in the southern part of the State would be in desperate straits if it were not for this new agency, which has been installed to pump water supplementing what they lack in their reservoirs.

In the conflict between private power and public power throughout the country generally, I am inclined to take middle ground, but although power production is incidental and purely secondary in most reclamation projects, yet it is so vitally important to help pay total costs and to supplement the water supply by pumping, that I want such power produced in the greatest possible quantity and so used as best to develop the whole community. I, too, want the farmer to get the greatest benefit. Today R. E. A. projects are going into certain communities where private utilities would not go for many years to come. Let us remember that this bill is distinctly a reclamation bill and not primarily a power bill, but I am well pleased with the power provision as written into the measure by the Senate amendment. I feel that its importance is second only to the liberal terms given the water users for making their repayments. The preference given to R. E. A. does not take anything from existing private utilities but merely enables the R. E. A. projects to develop areas which have never before been touched with electric power. It is very important to the West that we accept this conference report and concur in the Senate amendments.

[Here the gavel fell.]

Mr. WHITE of Idaho. Mr. Speaker, I yield 3 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, I take the floor rather reluctantly on this matter. The bill as it was reported to the House was a perfectly proper reclamation bill. I joined others in giving assurances to members that it did not contain this power clause and thereby helped to secure unanimous consent to permit its passage. Let us keep the

record straight. No part of this Senate power amendment was in the bill when it passed the House. In its entirety, it was added in the Senate. True, part of it was in the bill as first introduced in the House, but that was eliminated by the committee and came to the House and was passed by the House without containing any part of this amendment under present discussion. The Senate added it, all of it. I say this, because the discussion makes some of you feel that some of us betrayed you when we assured you the power provision was eliminated when we secured your approval for unanimous consent.

Now then, the effect of the Senate amendment is to change the emphasis in this bill from reclamation and water conservation to power promotion. As the gentleman from Kansas [Mr. WINTER] has pointed out, there is a difference between this amendment and the present law, not only in the addition of the language regarding cooperatives financed by the R. E. A., but in the first part of the amendment as well. It has been passed over by most of the speakers. The present law states that the Secretary of the Interior can give preference—

To municipal purposes—

In the sale of this power. The amendment placed in the bill by the Senate states that—

In said sales or leases, preference shall be given to municipalities and other public corporations or agencies—

And so forth. There is all the difference in the world between a clause permitting "preference for the sale of power to municipal purposes" and a mandatory clause requiring "preference to municipalities and other public corporations and agencies and cooperatives" in the sale of that power. The net effect of the amendment is to change the bill from a water-conservation measure to a power-promotion measure.

The point of view taken by many of the speakers has been that the amendment merely added R. E. A. cooperatives to a preferred list of public-power distributors already established by law; that is not the case. Existing law only gives preference to sale for municipal purposes, not to municipalities as distributors of power.

I would not have asked for time except that the record should be kept clear as to what this amendment actually does, and because I do not want any Member to think that we acted in bad faith in asking his agreement to unanimous consent for consideration of the bill when it first passed the House, on the assurance that it contained no part of this proviso on the sale of power. It did not. Consequently, in good faith I felt I should state what this amendment actually does that is different from the assurances earlier given you.

I want to see this bill become law because in other respects it sets up a sensible and very greatly needed system in reclamation repayments, but I do not like to see the farmers, who should be the primary beneficiaries of water conservation, made the goats to promote the use of water for power promotion, when primarily this should be a water-conservation measure.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield for a question?

Mr. CASE of South Dakota. I yield to the gentleman from Montana.

Mr. O'CONNOR. The gentleman has brought out a point that has not been made clear, and I am glad that he has done so. In the discussion before the committee it was a question of interpretation as to what "municipalities" included. Commissioner Page had been acting upon the theory in the past, since the passage of the basic law, that "municipalities" included cooperatives and other public agencies.

Mr. CASE of South Dakota. Yes; but of course, the gentleman knows that is carrying his argument pretty far, because the present law does not state that preference shall be given to municipalities or other public corporations, it merely states that preference shall be given to municipal purposes.

Mr. O'CONNOR. Exactly.

Mr. CASE of South Dakota. There is a vast difference between saying that the power shall be sold for municipal

purposes and saying that it shall be sold to municipalities or other public agencies, because the present law permits the sale of power to the high bidder, and that is to the interest of the people who want the water conserved and the benefits of smaller irrigation costs to accrue to the farmers. [Applause.]

[Here the gavel fell.]

Mr. WHITE of Idaho. Mr. Speaker, I yield 3 minutes to the gentleman from Utah [Mr. ROBINSON].

Mr. ROBINSON of Utah. Mr. Speaker, I believe a great deal of confusion has arisen in the House because of this report. It was my amendment that struck the power question out of the first bill. However, I believe that it is not as serious a matter as the gentleman from South Dakota indicated in his remarks just completed. It does not make any difference as far as the price of the power is concerned with the farmers, because that is a matter that is agreed upon by the Government before these reclamation projects are started. Therefore, it is wholly a Government matter.

I hope the House will vote for this conference report. This is an important question with the farmers of the West. While the power question is indirectly brought into this subject, still there is some reason for the present amendment, which is fundamentally different from the amendment that was stricken from the original bill. This bill gives preference to the Rural Electrification Administration projects, and that is proper and should be done because the Government is furnishing the money for those projects. The bill simply says that any power that is produced on the project shall be first sold or at least offered for sale to agencies in which the Government is now investing its money. It seems to me there is some distinction between that and the original amendment which was stricken from the bill.

This bill is important in every particular to the farmers of the West. Let us not get the power question mixed up with it. We are going right on whether this bill passes or not or regardless of the form in which the bill passes. The Reclamation Bureau is going right on to carry out its present policy as far as the sale of power is concerned. The law of 1902 has been in operation since that date and will continue to be in operation; and Mr. Page in his statement before the committee stated that whether or not we put such an amendment in this bill would make little or no difference because the Reclamation Bureau under the Department of the Interior was going right along to carry out its present policy. Therefore, I hope the House will vote for this conference report. [Applause.]

[Here the gavel fell.]

Mr. WHITE of Idaho. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Speaker, it seems to me that what all this controversy is about is a provision in this conference report that states in effect that where the people's money is expended on a project the benefit from that project in all its forms shall accrue as directly as possible to the people themselves.

I hope we will speed the day when cheap electricity can be got into the farm homes of America. I am not afraid of it. I hope it will come soon. I hope we can speed the day when the factories of America can have their wheels turned by cheap power. I believe that is a good thing and not a bad thing. But we find that even as in certain ages of history people have feared witches and in other ages of history they have feared sea monsters, so today we have a great new fear on the part of some Members of the House, a majority of whom are Republican Members, and this great fear is of electric power.

I do not understand it, I cannot conceive it, and I do not see why people should be afraid that the homes of America are going to be lighted up or that cheap power is going to be made available to the farms and the factories of America.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman.

Mr. CASE of South Dakota. I have voted for rural electrification appropriations and for rural electrification projects, and I object to that kind of interpretation because I am just as much interested in that matter as anybody else, but when we have power from a reclamation project for sale and the purpose of the sale of power is to make the water burden on the farmers as little as it can be, why should not that power be sold to the best market so as to make the burden as light as possible on the farmers?

Mr. VOORHIS of California. There is nothing in the bill to prevent its being sold in a profitable manner.

Mr. CASE of South Dakota. As I read the Senate amendment it provides for sale with preference to public bodies, municipalities, cooperatives, and so forth, regardless of the yield their bid will give to reducing the cost of irrigation.

Mr. VOORHIS of California. The preference should go to those very same farmers wherever it is possible and feasible for it to go there. That is the point I make, and I hope the gentleman did not interpret my remarks as being any reflection on him or on his votes. I have the greatest respect for the gentleman both as to integrity, ability, and devotion to the people whom he represents. I know the gentleman has voted in favor of measures of this kind. All I am speaking of is of the general circumstance that I find it difficult to understand, for it seems to me that the development of this power is a positive and not a negative thing and one that should be forwarded and not feared.

Mr. ROBINSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. ROBINSON of Utah. In explanation of the statement of the gentleman from South Dakota [Mr. CASE], I simply want to say that the farmers do not get this power revenue. That is a direct payment by the Government, and the amount is fixed on these projects, and no matter what it is sold for, that does not go to the farmer. It comes out of the Public Treasury or into the Public Treasury and has nothing to do with the farmer.

Mr. VOORHIS of California. And the provisions of this amendment are merely prudent provisions in order to prevent some intermediary corporation from taking advantage of this publicly developed power and charging an additional amount to the ultimate consumer, and therefore the conference report should be adopted.

[Here the gavel fell.]

Mr. WHITE of Idaho. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. IZAC].

Mr. IZAC. Mr. Speaker, I rise at this time merely to explain how this thing works.

The Federal Government spent nearly \$30,000,000 in building the all-American canal. The farmers, as represented by the irrigation districts, cannot pay that money back out of the use of water. It would make the irrigation of those farms down there prohibitive. So the only way we can get the money back is by having the Federal Government, through the R. E. A., make it possible for the irrigation districts to build power lines, develop the power at the drops on the all-American canal, sell it back to the farmers at a reasonable price, and then have that money revert to the Treasury and pay back the \$30,000,000. So by simply giving preference to these R. E. A. borrowers, in this case the farmer, as represented by the irrigation district, you are merely making it possible for the Federal Government to get back the money it has spent in such projects as Boulder Dam, for instance, the all-American canal, and the other reclamation projects of the West.

Mr. Speaker, I yield back the balance of my time.

Mr. WHITE of Idaho. Mr. Speaker, I yield 3 minutes to the gentleman from Washington [Mr. HILL].

Mr. HILL. Mr. Speaker, in the first place, let us get a picture of this proposition. In 1937 we passed a law providing for a commission to investigate the different reclamation projects throughout the United States. They made a report, and, based on that report, the original bill was introduced and referred to the Irrigation Committee. That bill

included language far more drastic than the language we have here. It provided "that in said sales or leases preference shall be given to the municipalities and other public corporations or agency and also to cooperatives and other nonprofit organizations," and the measure stopped there.

A controversy arose in the committee which has been explained. This was ironed out; and in order to get the bill out, because we are all interested in the repayment proposition, we agreed to report a bill with that language deleted. I agreed to that, and that was done; and that measure passed the House unanimously. Then we went to conference, and the Senate meanwhile had added to that provision "financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936 and any amendments thereof"; and I may say that the reason I voted to report that to this House was to give the House an opportunity to vote on that amendment, which is fundamentally different from the original amendment.

As to the merits of the question, I call the attention of the Members of the House to the fact that this has been the policy—not the law, but has been the policy—of the Reclamation Bureau since 1906. Commissioner Page testified to that effect before the committee. It has not been the law, but it has been the policy. We are merely putting into law the policy of the Reclamation Bureau. It has been the policy under Republican administrations and under Democratic administrations, and we are simply carrying into effect that policy.

It has been said that we injected the power question into this proposition. If you will look at the top of page 22 of the bill you will find this language:

In the sale of electric power or lease of power privileges, made by the Secretary in connection with the operation of any project or a division of any project, shall be for such period—

And so forth. That shows that we are dealing with power there, and we are not injecting the power question into this matter at all. That is already here.

The SPEAKER pro tempore. The time of the gentleman from Washington has expired.

Mr. HILL. Mr. Speaker, I ask the gentleman to yield me 2 minutes more.

Mr. WHITE of Idaho. Mr. Speaker, I yield the gentleman 1 minute more.

Mr. HILL. As for my friend from South Dakota [Mr. CASE], who says that he has been in favor of rural electrification and for the farmers, may I say that this provision in this bill is for the benefit of the farmers, because preference will be given to those who receive loans from the Rural Electrification Act of 1936 and any amendments thereof. If the gentleman is in favor of the farmers, then he should be in favor of their getting the preference, which has been the policy of the Department since 1906. We are not changing the policy; we are simply putting it into law. That is all we are doing in this bill, and I hope gentlemen will vote for the conference report as it came back to us.

Mr. WHITE of Idaho. Mr. Speaker, I yield 3 minutes to the gentleman from Washington [Mr. LEAVY].

Mr. LEAVY. Mr. Speaker, it is only to clear up one or two misunderstandings that have arisen during the course of the debate that I take the floor at all.

It has been the policy of the Reclamation Service, made so by the act itself, the basic law, that they may give preference to municipalities and public corporations in the purchase of power. This amendment goes one step further and includes cooperatives and rural electrification projects. The gentleman from South Dakota [Mr. CASE]—and there is no better friend of reclamation in this House than he—is under a misapprehension when he says that this law will require that such preference be given irrespective of the bid. That is not the fact. If a private corporation makes a better bid, then, under this law, it will become the duty of the Commissioner of Reclamation to consider that fact, but when the two make bids that are equal, it becomes his duty then to give preference to the public corporation, or cooperative, whether it be a city, town, cooperative, or rural electrification project.

There is one other misapprehension. A question was propounded, I think, by the gentleman from Kentucky [Mr. MAY]. He said these contracts would be 40-year contracts.

Mr. Speaker, the 40-year provision is a part of the reclamation law in reference to the repayment for the water brought to the land but has nothing whatever to do with the contract insofar as it involves the sale of power. Those contracts can be made for such period as the Commissioner and the contracting party see fit to fix, and it is usually for 5 years. That has been the limit usually, because then the changed conditions call for changed rates, but without the possibility of selling power and thus securing revenue, at least a score of the best reclamation projects we have in the United States would be impossible. I have in mind this great Kendrick project in Wyoming. Were it not for the fact that the power could be sold, the project could not be brought into being. The same is true of Boulder Dam and of Grand Coulee in my district. There is nothing here that should cause Members on either side of the House to oppose this conference report.

This legislation, when enacted, will prove the greatest step forward in reclamation history, since the enactment of the basic law over 30 years ago. It insures orderly and necessary development in the West and preserves to the people the greatest single asset the West has; that is its hydroelectric energy. It will make possible an industrial electrical development, undreamed of when the basic reclamation law was first passed. Modern civilization will flourish in the West as nowhere else in the world, and we will set the example for the remainder of the Nation. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Washington has expired.

Mr. WHITE of Idaho. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE of Oregon. Mr. Speaker, it is a well-known fact that for years the power in the reclamation districts was taken over by utilities with very little compensation to the farmers. I think that has ceased. It is now being generally conserved by and for the people who use the land in the irrigation districts and struggle to repay the costs of the project. One project in Oregon, one of the finest irrigation projects in the Union, owed perhaps \$6,000,000—a project that has sixty or eighty thousand acres, highly cultivated. The power on the project belonged to the farmers. It was taken from the water users with the consent of the Reclamation Service for a credit of a little over \$100,000, some 20 years ago. It was capitalized by Wall Street, one of the Byllesby companies, for \$4,000,000. It is probably worth \$10,000,000 today. Had the farmers been allowed to use that power in that district, every farm on that irrigation district would be free from debt. When the history of it is written it will be a small Teapot Dome. I mean to write it. This conference report should be adopted. There is nothing wrong in it. Why should not the farmers have preference? The money is put up in their behalf, and they repay it. If there is anything to be saved out of the power, why should it not go to the farmer? Give the private electric companies preference? Of course, then comes manipulation. Give the farmers preference? There is nothing wrong in it. It belongs to them.

I assure my colleagues from South Dakota and from Kansas that there is nothing wrong in this conference report. The farmers will have and should have a preference right to the power that may be generated by irrigation districts.

[Here the gavel fell.]

Mr. WHITE of Idaho. Mr. Speaker, in concluding this debate I want to call the attention of my colleagues on both sides to the main issue here. I do not think there is a man on either side of the House who wants to put a middleman between the Government, which finances these projects, and the farmers, who buy the electric energy, and for that reason the cooperatives delivering electric power to the settlers are entitled to preference.

With that statement, I move the previous question, Mr. Speaker.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were ayes 95 and noes 5.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 18. An act authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2009) entitled "An act to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WHEELER, Mr. TRUMAN, Mr. DONAHEY, Mr. WHITE, and Mr. REED to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. COLE] be allowed to extend his own remarks by printing an address delivered in his district by Mr. HAMILTON.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

NATIONAL STOLEN PROPERTY ACT

Mr. HEALEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1996) to amend the National Stolen Property Act, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 3, strike out "of the value of \$5,000 or more."

Page 2, line 4, after "counterfeited", insert "or whoever with unlawful or fraudulent intent shall transport, or cause to be transported in interstate or foreign commerce, any bed piece, bed plate, roll, plate, die, seal, stone, type, or other tool, implement, or thing used or fitted to be used in falsely making, forging, altering, or counterfeiting any security, or any part thereof."

Page 3, lines 4 and 5, strike out "of the value of \$5,000 or more."

Page 3, line 7, strike out "of the value of \$500 or more."

Page 3, line 10, after "counterfeited", insert "or whoever shall receive in interstate or foreign commerce, or conceal, store, barter, sell, or dispose of, any such bed piece, bed plate, roll, plate, die, seal, stone, type, or other tool, implement, or thing used or intended to be used in falsely making, forging, altering, or counterfeiting any security, or any part thereof, moving as, or which is a part of, or which constitutes interstate or foreign commerce, knowing that the same is fitted to be used, or has been used, in falsely making, forging, altering, or counterfeiting any security, or any part thereof."

Page 4, line 8, strike out all after "greatest", down to and including "counterfeited", in line 12.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. HEALEY]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

REPORT FROM TENNESSEE VALLEY AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 455)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Military Affairs and ordered printed with illustrations:

To the Congress of the United States:

I transmit herewith for the information of the Congress a letter from the Chairman of the Board of Directors of the

Tennessee Valley Authority submitting a report entitled "Value of Flood Height Reduction from Tennessee Valley Authority Reservoirs to the Alluvial Valley of the Lower Mississippi River."

The Tennessee Valley Authority believes that this report is a contribution to the theory of valuation of the benefits of flood control and as such will be useful to the legislative and executive branches of the Federal Government in considering flood-control problems in general.

The attention of the Congress is invited to the suggestion of the Board that the report be printed as a Senate or House document.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, July 27, 1939.

AMENDING THE BANKRUPTCY ACT

Mr. CHANDLER. Mr. Speaker, I call up the conference report on the bill (H. R. 5407) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory and supplementary thereto.

The Clerk read the title of the bill.

Mr. CHANDLER. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5407) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory and supplementary thereto, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 21 and 39.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 12, 13, 14, 15, 16, 17, 18, 19, 23, 28, 30, 32, 33, 34, 35, 36, and 37, and agree to the same.

Amendments numbered 6, 7, 8, 9, 10 and 11: That the House recede from its disagreement to the amendments of the Senate numbered 6, 7, 8, 9, 10 and 11 and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by the Senate amendments, strike out all matter in lines 23 to 25 inclusive, on page 3 of the House bill, strike out all matter in lines 1 to 13 inclusive on page 4 of the House bill, and insert in lieu thereof the following:

"(1) Prepared a plan of adjustment and secured assurances satisfactory to the Commission of the acceptance of such plan from creditors holding at least 25 per centum of the aggregate amount of all claims affected by said plan of adjustment (including all such affected claims against said corporation, its parents and subsidiaries), and

"(2) Thereafter obtained an order of the Commission (but not of a division thereof), under section 20a of the Interstate Commerce Act authorizing the issuance or modification of securities as proposed by such plan of adjustment (other than securities held by, or to be issued to Reconstruction Finance Corporation), such order of the Commission to include also specific findings:

"(a) That such corporation is not in need of financial reorganization of the character provided for under section 77 of this Act;

"(b) That such corporation's inability to meet its debts matured or about to mature is reasonably expected to be temporary only; and

"(c) That such plan of adjustment, after due consideration of the probable prospective earnings of the property in the light of its earnings experience and of such changes as may reasonably be expected—

"(i) is in the public interest and in the best interests of each class of creditors and stockholders;

"(ii) is feasible, financially advisable, and not likely to be followed by the insolvency of said corporation, or by need of financial reorganization or adjustment;

"(iii) does not provide for fixed charges (of whatsoever nature including fixed charges on debt, amortization of discount on debt, and rent for leased roads) in an amount in excess of what will be adequately covered by the probable earnings available for the payment thereof;

"(iv) leaves adequate means for such future financing as may be requisite;

"(v) is consistent with adequate maintenance of the property; and

"(vi) is consistent with the proper performance by such railroad corporation of service to the public as a common carrier, will not impair its ability to perform such service;

Provided, That in making the foregoing specific findings the Commission shall scrutinize the facts independently of the extent of

acceptances of such plan and of any lack of opposition thereto: *Provided further*, That an order of the Commission (or of a division thereof) under section 20a of the Interstate Commerce Act, made prior to April 1, 1939, authorizing the issuance or modification of securities as proposed by a plan of adjustment (other than securities held by, or to be issued to, Reconstruction Finance Corporation), shall be effective for the purpose of this subparagraph (2) of the first sentence of section 710, notwithstanding failure to include therein the foregoing specific findings, if such order did include the specific findings that such proposed issuance or modification of securities is compatible with the public interest, is consistent with the proper performance by the railroad corporation of service to the public as a common carrier, and will not impair its ability to perform such service, and"

And the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: "If the court shall propose to modify the plan, then: (a) if such modification substantially alters the basis for the specific findings included in the order made by the Commission under section 20a of the Interstate Commerce Act, the plan as so proposed to be modified shall be resubmitted to the Commission and shall not be finally approved by the court until the Commission (but not a division thereof) has authorized the issuance or modification of securities as proposed by the plan as so modified (other than securities held by, or to be issued to, Reconstruction Finance Corporation) making the findings required by clause (c) of subparagraph (2) of the first sentence of section 710, even in a case where the original order of the Commission under said section 20a was made prior to April 1, 1939; and (b) if such modification substantially or adversely affects the interests of any class or classes of creditors, such plan shall be resubmitted, in such manner as the court may direct, to those creditors so affected by such modification and shall not be finally approved until after (1) a hearing on such modification, to be held within such reasonable time as the court may fix, at which hearing any person in interest may object to such modification, and (2) a reasonable opportunity (within a period to be fixed by the court), following such hearing, within which such affected creditors who have assented to the plan may withdraw or cancel their assents to the plan, and failure by any such creditor to withdraw or cancel an assent within such period shall constitute an acceptance by such assenting creditor of the plan as so modified. After such authorization and finding by the Commission, where required hereby, and after such hearing and opportunity to withdraw or cancel, where required hereby, the court may make the proposed modification, and as provided in section 725 finally approve and confirm the plan as so modified"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by such amendment insert the following: "which does not provide for the payment thereof shall be approved by the court except upon the acceptance of a lesser amount or of a postponement by the Secretary of the Treasury certified to the court: *Provided*, That if the Secretary of the Treasury shall fail to accept or reject such lesser amount or such postponement for more than sixty days after receipt of written notice so to do from the court, accompanied by a certified copy of the plan, the consent of the United States insofar as its claims for taxes or customs duties are concerned shall be conclusively presumed"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by such amendment and insert in line 1 on page 9 of the House bill after the word "or" and before the word "as" the following: ", if modified, then"; and the Senate agree to the same.

Amendments numbered 25, 26, and 27: That the House recede from its disagreement to the amendments of the Senate numbered 25, 26, and 27 and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by such amendments, strike out all matter in lines 6 through 12 inclusive on page 9 of the House bill, and insert in lieu thereof the following:

"(3) That the plan meets the requirements of clause (c), and the petitioner meets the requirements of clauses (a) and (b) of subparagraph (2) of the first sentence of section 710, and that the plan is fair and equitable as an adjustment, affords due recognition to the rights of each class of creditors and stockholders and fair consideration to each class thereof adversely affected, and will conform to the law of the land regarding the participation of the various classes of creditors and stockholders: *Provided*, That in making the findings required by this clause (3), the court shall scrutinize the facts independently of the extent of acceptances of such plan, and of any lack of opposition thereto, and of the fact that the Commission, under section 20a of the Interstate Commerce Act, has authorized the issuance or modification of securities as proposed by such plan, and of the fact that the Commission has made such or similar findings;"

And the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following:

"(6) That, after hearings for the purpose, all amounts or considerations, directly or indirectly paid or to be paid by or for the petitioner for expenses, fees, reimbursement or compensation of any character whatsoever incurred in connection with the proceeding and plan, or preliminary thereto or in aid thereof, together with all the facts and circumstances relating to the incurring thereof, have been fully disclosed to the Court so far as such amounts or considerations can be ascertained at the time of such hearings, that all such amounts or consideration are fair and reasonable, and to the extent that any such amounts or considerations are not then ascertainable, the same are to be so disclosed to the Court when ascertained, and are to be subject to approval by the special court as fair and reasonable, and except with such approval no amounts or considerations covered by this clause (6) shall be paid."

And the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by such amendment insert the following:

"No plan shall be approved under this chapter unless the special court finds that with respect to the continuation of, or any change in, the voting rights in the petitioner, control of the petitioner, and the identity of, and the power and manner of selection of the persons who are to be directors, officers, or voting trustees, if any, upon the consummation of the plan and their respective successors, the plan makes full disclosure, is adequate, equitable, in the best interests of creditors and stockholders of each class, and consistent with public policy."

And the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by said amendment insert the following:

"ARTICLE VII—INTERSTATE COMMERCE COMMISSION

"SEC. 740. If, in any application filed with the Commission pursuant to section 20a of the Interstate Commerce Act for authority to issue or modify securities, the applicant shall allege that the purpose in making such application is to enable it to file a petition under the provisions of this chapter, the Commission shall take final action on such application as promptly as possible, and in any event within one hundred and twenty days after the filing of such application, unless the Commission finds that a longer time, not exceeding sixty days is needed in the public interest."

And the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40 and agree to the same, with an amendment as follows: In line 11 on page 14 of the House bill, after the word "made" insert the following: "by any person affected by the plan who deems himself aggrieved"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41 and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by said amendment, strike out in line 22 on page 14 of the House bill the words "SAVING CLAUSE", and insert in lieu thereof the following: "IX—FILING RECORD WITH COMMISSION"; and the Senate agree to the same.

Amendments numbered 42 and 43: That the House recede from its disagreement to the amendments of the Senate numbered 42 and 43 and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by such amendments, strike out all matter in lines 23 through 25 inclusive on page 14 of the House bill, strike out all matter in lines 1 and 2 on page 15 of the House bill, and insert in lieu thereof the following:

"SEC. 750. The clerk of the court in which any proceedings under this chapter are pending, shall forthwith transmit to the Interstate Commerce Commission copies of all pleadings, petitions, motions, applications, orders, judgments, decrees and other papers in such proceedings filed with the court or entered therein, including copies of any transcripts of testimony, hearings or other proceedings that may be transcribed and filed in such proceedings together with copies of all exhibits, except to the extent that the court finds that compliance with this section would be impracticable."

And the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by such amendment insert the following:

"ARTICLE X—TERMINATION OF JURISDICTION

"SEC. 755. The jurisdiction conferred upon any court by this chapter shall not be exercised by such court after July 31, 1940, except in respect of any proceeding initiated by filing a petition under section 710 hereof on or before July 31, 1940."

And the Senate agree to the same.

WALTER CHANDLER,
EARL C. MICHENER,
CHARLES F. McLAUGHLIN,

Managers on the part of the House.

B. K. WHEELER,
WARREN R. AUSTIN,
H. T. BONE,
CHAS. W. TOBEY,
HARRY S. TRUMAN,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5407) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory and supplementary thereto, submit the following explanation of the effect of the action agreed upon in conference, and recommended in the accompanying conference report:

On amendment No. 1: This Senate amendment excludes from application of the bill corporations in equity receivership. The House recedes.

On amendment No. 2: This Senate amendment excludes from application of the bill corporations in proceedings for reorganization under section 77 of the Bankruptcy Act. The House recedes.

On amendments Nos. 3 and 4: These Senate amendments exclude from application of the bill corporations in equity receivership or in process of reorganization under section 77 of the Bankruptcy Act at the time of filing a petition under the new chapter and which have been in equity receivership or in process of reorganization under said section 77 within 10 years prior to the filing of such a petition. The House recedes.

On amendments Nos. 5, 6, 7, 8, 9, 10, and 11: The House bill permitted filing a petition on the basis of certain action "before or after the effective date of this chapter." These Senate amendments permitted filing a petition only on the basis of certain action taken prior to April 1, 1939. The House recedes on amendment 5 and recedes on amendments 6, 7, 8, 9, 10, and 11 with amendments. The effect of the action agreed upon in conference and recommended in the accompanying conference report with respect to these amendments is as follows: Petitions may be filed on the basis of action taken either before or after April 1, 1939, but the required specific findings to be included in an order of the Interstate Commerce Commission made under section 20a of the Interstate Commerce Act prior to April 1, 1939, are those required under said section 20a in accordance with existing law, while in the case of such orders made prior to April 1, 1939, other findings must be included. Furthermore, the requisite orders if made prior to April 1, 1939, may be by a division of the Commission, but those made after April 1, 1939, must be by the full Commission. These other findings relate to the petitioner's need for financial reorganization of the character provided for under section 77 of the Bankruptcy Act; to the reasonable expectation that the petitioner's financial difficulties are temporary only; and to the plan of adjustment. The findings required with respect to the plan are that after due consideration of the earning power of the property, the plan is in the public interest and in the best interest of each class of creditors and stockholders; is feasible, financially advisable, and not likely to be followed by insolvency or need of financial reorganization or adjustment; does not provide for fixed charges in excess of what will be adequately covered by the probable earnings available for the payment thereof; leaves adequate means for such future financing as may be requisite; is consistent with adequate maintenance of the property; and is consistent with the proper performance by the railroad corporation of service to the public as a common carrier and will not impair its ability to perform such service. The Commission is directed, in making the specific findings, to scrutinize the facts independently of the extent of acceptances of a plan and of any lack of opposition thereto.

On amendment No. 12: This Senate amendment eliminates the provision relating to the court in which a railroad in equity receivership shall file a petition under the new chapter. The House recedes.

On amendments Nos. 13 and 14: These Senate amendments correct erroneous references to "this section" instead of to "this chapter." The House recedes on both amendments.

On amendments Nos. 15, 16, and 17: These Senate amendments entitle all "persons in interest" to notice of a hearing and not merely "creditors affected by the plan"; allow intervention to "persons in interest" and entitle "any person in interest" to be heard and not merely "holders of securities of the petitioner". The House recedes on all three amendments.

On amendments Nos. 18, 19, and 20: These Senate amendments relate to modifications of plans by the court. The House recedes on both amendments 18 and 19 and recedes on amendment 20 with an amendment. The effect of this agreed action is that a proposed modification of a plan which substantially alters the basis for the Commission's findings requires resubmission of the plan as proposed to be modified to the Commission for appropriate findings; and a proposed modification which substantially or adversely affects the interests of any class of creditors requires resubmission to such creditors, plus a hearing and opportunity to withdraw or cancel assents to the plan.

On amendment No. 21: This Senate amendment provides that the interests or claims of the United States shall be deemed to be affected by a plan. The Senate recedes.

On amendment No. 22: This Senate amendment provides that if the United States is a creditor on claims for taxes or customs duties no plan which does not provide for the payment thereof may be approved except upon acceptance of a lesser amount by the Secretary of the Treasury; and that upon failure of the Secre-

tary to accept or reject a lesser amount for more than 60 days after receipt of written notice so to do from the court, accompanied by a certified copy of the plan, the consent of the United States insofar as its claims for taxes or customs duties shall be conclusively presumed. The House recedes with an amendment which puts a "postponement" in the same status as a "lesser amount."

On amendment No. 23: This Senate amendment requires that as to stated matters the court shall make findings and not merely "be satisfied." The House recedes.

On amendment No. 24: This Senate amendment clarifies the provisions that acceptance of a plan "as submitted" is sufficient if the plan be not modified, but that acceptance of a plan "as modified" is requisite if the plan be modified. The House recedes with an amendment which is grammatical.

On amendments Nos. 25, 26, and 27: These Senate amendments relate to the findings by the court required as a condition of approval and confirmation of a plan. These amendments insert the words "as an adjustment" after the words "fair and equitable" in the required finding that the plan is "fair and equitable"; require a finding that the plan "is in the best interests of the creditors and stockholders of each class" and that the plan "is feasible"; and insert the phrase "pertaining to adjustments" in the condition that the plan "conforms to the requirements of the law of the land pertaining to adjustments regarding the participation of the various classes of creditors and stockholders." The House recedes on all three amendments with an amendment, the effect of which is to make the clause affected by these three amendments read as follows: "(3) That the plan meets the requirements of clause (c), and the petitioner meets the requirements of clauses (a) and (b) of subparagraph (2) of the first sentence of section 710, and that the plan is fair and equitable as an adjustment, affords due recognition to the rights of each class of creditors and stockholders and fair consideration to each class thereof adversely affected, and will conform to the law of the land regarding the participation of the various classes of creditors and stockholders: *Provided*, That in making the findings required by this clause (3) the court shall scrutinize the facts independently of the extent of acceptances of such plan, and of any lack of opposition thereto, and of the fact that the Commission, under section 20a of the Interstate Commerce Act, has authorized the issuance or modification of securities as proposed by such plan, and of the fact that the Commission has made such or similar findings."

On amendment No. 28: This Senate amendment adds a clause conditioning approval of a plan on a finding that the petitioner has not, in connection with the plan or the effectuation thereof, done any act or failed to perform any duty which act or failure would be a bar to the discharge of a bankrupt, and that the plan and the acceptance thereof are in good faith and have not been made or procured by improper means, promises, or acts. The House recedes.

On amendment No. 29: This Senate amendment requires full disclosure of fees and expenses incurred in connection with the proceedings and plan and conditions approval of the plan on a finding that the fees and expenses are fair and reasonable; and provides that to the extent the fees and expenses are not ascertainable at the time of the hearing, they are subject to the approval of the court as fair and reasonable. The House recedes with an amendment, the effect of which is to make the clause added read as follows: "(6) That, after hearings for the purpose, all amounts or considerations, directly or indirectly paid or to be paid by or for the petitioner for expenses, fees, reimbursement, or compensation of any character whatsoever incurred in connection with the proceeding and plan, or preliminary thereto or in aid thereof, together with all the facts and circumstances relating to the incurring thereof, have been fully disclosed to the court so far as such amounts or considerations can be ascertained at the time of such hearings, that all such amounts or consideration are fair and reasonable, and to the extent that any such amounts or considerations are not then ascertainable, the same are to be so disclosed to the court when ascertained, and are to be subject to approval by the special court as fair and reasonable, and except with such approval no amount or considerations covered by this clause (6) shall be paid."

On amendment No. 30: This Senate amendment makes clear that a decree approving and confirming a plan does not dispense with any required authority where required by any law relating to the Reconstruction Finance Corporation. The House recedes.

On amendment No. 31: The House bill contained a paragraph providing that the plan of adjustment may contain appropriate provisions whereby the interests of creditors affected by the plan shall be safeguarded in all matters of the petitioner's financial policy and operations. Senate amendment 31 strikes out this paragraph and substitutes the mandatory requirement that no plan may be approved unless the court finds that with respect to (a) the continuation of, or (b) any change in (1) the voting rights in the petition, (2) control of the petitioner, and (3) the power and manner of selection of the persons who are to be directors, officers, or voting trustees, if any, upon the consummation of the plan and their respective successors, the plan is equitable, compatible with the interests of creditors and stockholders and consistent with public policy. The House recedes with

an amendment amplifying the substituted paragraph, so as to refer also to the identity of the persons who are to be directors, officers, or voting trustees, and also so as to require that the plan make full disclosure, be adequate, and be in the best interests of creditors and stockholders of each class.

On amendment No. 32: This Senate amendment makes clear that the injunction or stay of actions or proceedings may be for a reasonable time only. The House recedes.

On amendment No. 33: This Senate amendment makes clear that, with respect to claims which would be required to be paid if the plan were in effect, the stay shall affect neither proceedings to enforce such claims (such as actions at law for a money judgment) nor proceedings based on such claims (such as equity receiverships or bankruptcy proceedings). The House recedes.

On amendment No. 34: This Senate amendment makes clear that the court may not continue a proceeding beyond 1 year from the date of filing the petition unless it is satisfied that confirmation of a plan is in immediate prospect. The House recedes.

On amendment No. 35: This Senate amendment makes clear that the making of payments during a proceeding as provided in a plan shall not constitute a preference under the Bankruptcy Act and that the acceptance of such payments shall not constitute an acceptance of a plan. The House recedes.

On amendment No. 36: This Senate amendment strikes out the words "and circumstances" so as to eliminate any possible construction that security holders can be required to accept conditions or waive rights in order to receive payments. The House recedes.

On amendment No. 37: This Senate amendment adds a new section so as to facilitate collection of taxes and customs duties, giving the court power to determine the amount and legality of claims of the United States for taxes or customs duties and to order payment thereof, giving the order approving the petition the effect of an adjudication of bankruptcy for the purposes of section 274 of the Internal Revenue Code, and providing that the running of the statute of limitations on the assessment or collection of any internal-revenue tax shall be suspended while a proceeding under the new chapter is pending and until it is finally dismissed. The House recedes.

On amendment No. 38: This Senate amendment, in view of other Senate amendments, struck out as unnecessary article VII consisting of one section, section 740, providing that if in any application filed with the Commission pursuant to section 20a of the Interstate Commerce Act for authority to issue or modify securities, the applicant shall allege that the purpose in making such application is to enable it to file a petition under the new chapter, the Commission shall take final action as promptly as possible, and in any event, within 120 days after the filing of such application. The House recedes, with an amendment whereby the stricken article is restored, amended so as to allow a further period beyond the 120 days, if the Commission finds that a longer time, not exceeding 60 days, is needed in the public interest.

On amendment No. 39: This Senate amendment, in view of other amendments rennumbers article VIII as article VII. The Senate recedes.

On amendment No. 40: This Senate amendment extends to 60 days the 30-day limitation on applications for writs of certiorari. The House recedes with an amendment whereby applications for such writs may be made by any person affected by the plan who deems himself aggrieved.

On amendment No. 41: This Senate amendment, in view of other amendments rennumbers article IX as article VIII. The House recedes with an amendment whereby the heading affected is made to read "Article IX—Filing Record With Commission."

On amendment No. 42: The House bill contained as section 750 the usual form of separability provision. This Senate amendment provided that the provisions of section 710 and 711, as amended by other Senate amendments, limiting the chapter to petitioners that have complied with subparagraphs (1) and (2) of the first sentence of section 710 before April 1, 1939, be not separable from the rest of the bill. The House recedes with an amendment whereby the entire separability provision is stricken and there is substituted a section requiring the clerk of the court to transmit to the Commission copies of the various papers in the proceeding except to the extent that the court finds that compliance with the section would be impracticable.

On amendment No. 43: This Senate amendment is clerical. The House recedes, with an amendment to conform to action agreed on with respect to other amendments.

On amendment No. 44: This Senate amendment strikes out as unnecessary in view of other Senate amendments, article X, consisting of one section, section 755, which provided that the jurisdiction conferred upon any court by the new chapter shall not be exercised by such court after 5 years from the effective date of the chapter, except in respect of any proceeding initiated by filing a petition under section 710 on or before the termination of such 5-year period. The House recedes with an amendment whereby

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the stricken article X is restored, but amended so as to fix the date of termination of jurisdiction on July 31, 1940.

WALTER CHANDLER,
CHARLES F. McLAUGHLIN,
EARL C. MICHENER,
Managers on the part of the House.

Mr. CHANDLER. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ELBERT R. MILLER—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 454)

The Speaker laid before the House the following veto message from the President of the United States which was read by the Clerk:

To the House of Representatives:

I return herewith, without my approval, H. R. 2687, an act for the relief of Elbert E. Miller.

This bill provides, "That effective on and after the date of enactment of this act, all rights, claims, and benefits forfeited by Elbert R. Miller (C-132757) under the provisions of section 504 of the World War Veterans' Act, 1924, as amended, by the decision of the director, United States Veterans' Bureau, dated October 28, 1929, are hereby restored, but this act shall in nowise be construed as authority to pay any sum, claim, or benefit that may have matured or become due prior to effective date of this act."

Approval of the bill would have the effect of restoring to Elbert R. Miller, a World War veteran, effective on the date of approval, rights which have been forfeited, on account of the veteran having furnished false evidence in support of his claim in violation of the provisions of section 504 of the World War Veterans' Act, 1924, as amended, which provide as follows:

Any person who shall knowingly make or cause to be made, or conspire, combine, aid, or assist in, agree to, arrange for, or in anywise procure the making or presentation of a false or fraudulent affidavit, declaration, certificate, statement, voucher, or paper, or writing purporting to be such, concerning any claim or the approval of any claim for compensation or maintenance and support allowance, or the payment of any money, for himself or for any other person, under titles II or IV hereof, shall forfeit all rights, claims, and benefits under said titles, and, in addition to any and all other penalties imposed by law, shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than \$1,000 or imprisonment for not more than 1 year, or by both such fine and imprisonment, for each such offense.

This case has received sympathetic consideration by the Veterans' Administration and no facts or circumstances have been found which would warrant singling this case out for preferential treatment.

It is with regret, therefore, that I find myself unable to give my approval to this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, July 27, 1939.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. GAVAGAN. Mr. Speaker, I move that the bill, together with the veto message, be referred to the Committee on War Claims and ordered printed.

The motion was agreed to.

AGREEMENTS FOR EXCHANGE OF AGRICULTURAL COMMODITIES FOR STRATEGIC AND CRITICAL MATERIALS PRODUCED ABROAD

Mr. COLMER. Mr. Speaker, I call up House Resolution 273.

The Clerk read as follows:

House Resolution 273

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 2697, an act to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend, with or without instructions.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES].

I yield myself 2 minutes.

Mr. Speaker, this resolution, as has been indicated, is the so-called barter bill. I am satisfied the House is familiar with this, from press report, and those who have had an opportunity to study the legislation.

In brief, it provides the machinery to carry out agreements made between the British Government and this Government for the barter of certain strategic war materials. It is necessary to have some legislation upon the subject, and that is what this bill proposes.

I reserve the balance of my time.

Mr. MAPES. Mr. Speaker, I yield 15 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, the controversy which is involved in this bill, so far as I personally am concerned, hinges on the question of warehouse rates which are being charged by the warehousemen in whose warehouses the cotton is stored which will be used to fill the barter agreement consummated between the Government of England and the Government of the United States on the 23d of June 1939.

The Senate bill 2697 was sent to the Committee on Banking and Currency of the House. The purpose of the bill is to effect the delivery of some 600,000 bales of cotton covered by the barter agreement wherein the United States is trading cotton to the United Kingdom in exchange for rubber. Article I, subsection (b) of that agreement reads:

The cotton will be inspected to determine its classification in accordance with the universal cotton standards for grade and the official standards of the United States for staple, and will be accepted—

Here is a very important part of this agreement—by experts appointed by the Government of the United Kingdom.

Article II, subsection (b) provides that:

In determining the quality of rubber which shall be exchanged by the United Kingdom to the United States for the cotton, the rubber will be inspected and accepted by experts appointed by the United States Government.

In other words, I would construe that to be a mutual agreement, in that England through her experts can determine the quality and staple and character of the cotton she is to receive, and the experts representing the United States can determine the quality of the rubber which we are to receive.

Throughout the United States, in the cotton sections particularly, we have cotton stored in warehouses, which storage has been created under the provisions of the Agricultural Adjustment Act approved February 16, 1938. Section 383, subsection (b) reads:

Cotton held as security for any loan heretofore or hereafter made or arranged for by the Commodity Credit Corporation shall not hereafter be reconcentrated without the written consent of the producer or borrower.

When, therefore, it comes to filling a barter agreement on cotton it becomes necessary to move cotton from inland warehouses to port warehouses in order to carry out the agreement made with the United Kingdom with reference to the exchange of cotton for rubber, and it is in the movement, or the transfer, or the reconcentration of this cotton from interior warehouses to port warehouses that this controversy arises.

Referring back to the Agricultural Act, subsection (b), which I just read, we find that subsequent to the enactment of that short clause of some three and one-half lines, someone discovered that the cotton-loan agreements and the cotton notes signed by the grower—copies of which I hold here in my hand—carried under section 6 this interesting language:

The undersigned agrees that if any Federal agency or instrumentality shall be the holder of the above-mentioned note, it may before or after maturity move the collateral cotton from one storage point to another and pay freight, may compress the cotton, may store separately, en bloc, or otherwise.

You will notice that the grower signing this note agrees to that interesting clause. Going back to subsection (b) we find:

Cotton held as security for any loan heretofore or hereafter made or arranged for by the Commodity Credit Corporation shall not hereafter be reconcentrated without the written consent of the producer or borrower.

So there was a very definite conflict. What happened? In June 1938, a short time after that, we find an amendment brought in here which changes that whole situation very materially, and then we also find that when it came around to signing the 1938-39 cotton-loan notes, that section 6 of the loan agreement has been drafted so that it reads thus:

The undersigned agrees that if any Federal agency or instrumentality shall become the holder of the above-mentioned note, it may before or after maturity move the collateral cotton from one storage point to another, subject to the provisions of the act of June 16, 1938 (Public, No. 660, 75th Cong.).

Even a high-school student who wants to sit down and read the record can come to only one conclusion, and that is that subsection (b) of section 383 and Public, 660, of the Seventy-fifth Congress was dictated completely and absolutely by the warehouse ring which brings about this controversy.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield for just a question because my time is limited and I want to get this case before the House.

Mr. PACE. Does not the gentleman think—

Mr. CRAWFORD. I yield for a question only, Mr. Speaker.

Mr. PACE. I was about to ask the gentleman a question.

Mr. CRAWFORD. Very well, ask the question.

Mr. PACE. Does not the gentleman think that the farmer who produced the cotton on which he secured a loan has some interest in the cotton rather than having it moved 1,000 miles from his warehouse where he is unable to have it resampled and graded when it is offered for sale? And that that is one of the purposes of keeping the cotton from being moved hundreds of miles away from where it was produced or where the farmer lives?

Mr. CRAWFORD. At no time during my presentation shall I suggest that the principle enunciated by the gentleman from Georgia be in any way invalidated; and, indeed, the cotton grower should have this cotton located near him so long as he holds title to the cotton; but for the information of the House, this controversy arose because I offered in the Committee of Banking and Currency a simple proviso which reads in this exact language:

Provided, That nothing herein shall be construed as preventing the reconcentration of the cotton by the United States Government or any of its agencies where a saving in carrying charges can thereby be effected.

This in no way interferes with the right of the borrowing farmer who has his cotton up as collateral under a cotton loan. It does, however, put the Commodity Credit Corporation, a Government agency, in a position to protect the rights of the taxpayers of this country, Government rights, if you please, to the end that no such outrages can be perpetrated by the Government on the taxpayers, which I shall now proceed to demonstrate, as has taken place under these warehouse agreements.

Mr. PACE. Mr. Speaker, if the gentleman will yield further, does not that encourage the Commodity Credit Corporation to foreclose as quickly as possible to close out the farmers so they can move it away from them?

Mr. CRAWFORD. In no way would it do that, and I hope that the gentleman in his time will make the necessary effort to demonstrate how the Commodity Credit Corporation can run contrary to the laws which this Congress enacts.

Let us see what is happening. These are the official records furnished me by the Commodity Credit Corporation. Here we find the schedule of rates to be used in calculating warehouse charges on the 1934-35 12-cent cotton loans. The rates on this schedule were effective August 1, 1938, on 1934-35 12-cent-loan cotton. I shall be glad for any Member of the House who desires to examine them to look over these schedules. We find these rates of the warehouses on this lot of cotton range from about 11½ cents up to 18 cents per bale per month. That is per bale per month for storing a bale of cotton of approximately 500 pounds.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. It has been suggested in the Committee on Agriculture quite definitely that the cost to the Government for storage of cotton runs around \$4 a bale and that the total carrying charges now are around \$45,000,000 a year to carry the loan cotton.

Mr. CRAWFORD. I expect to bring that out. I thank the gentleman. Notice that these rates run from about 12 cents to 18 cents per bale per month on this enormous storage of cotton.

What happened on the next crop year? Let us take the 1937-38 loan cotton which is operating under these provisions of the law, which gave protection to the warehouse ring.

In the next year the 1937-38 crop we find these rates are almost without exception 18 cents per bale. Once in a while you will find a rate of 15.6 cents per bale per month. The 18 cents I believe is the highest rate in this schedule which takes care of the 1937-38 loan cotton.

Let us take the next year's loans. This is the 1938-39 cotton. The rates in this schedule were effective August 1, 1938. If you care to look at this schedule of rates I hold in my hand, you will find that in almost every case, with just a few exceptions, the rates have been jumped from a range of about 12 to 18 cents per bale per month, which I gave you in the first case, to where the rates are now 25 cents per bale per month.

It will be argued, of course, that you must charge 25 cents per bale per month the first year the cotton goes into storage. It takes time to cure cotton. Cotton goes through great physical changes following the month in which it is put into bales. When someone tells you that the character of cotton does not change after it is baled, you come to me and I will show you official information on that. It does change. As a spinner, you want character cotton, otherwise you cannot produce character cloth. So when the cotton is in storage the first year there is more or less of a handling charge, they tell me, that must be taken care of, for turning and flopping the cotton and some claim that justifies the 25-cent rate, but with that contention I disagree. I challenge the warehousemen to make a showing of their accounts and to justify such an

exorbitant rate. If it was necessary to pay 25 cents the first year, under what conditions do you get 12, 14, and 15 cents under the previous loans?

I am informed by some of the warehousemen they can make money storing this cotton at 11 cents per bale per month and come out in fine shape financially. I also understand that in some cases the warehousemen are willing to store this cotton for 10 cents per bale per month.

Referring now to the remarks of the gentleman from Minnesota, you have approximately 12,000,000 bales of cotton to deal with here. I have the figures here showing the amount of cotton in storage in port warehouses, and out of the 6,943,011 bales of cotton, title to which will be taken by the Government under this procedure, 1,225,366 bales were stored in port warehouses and 5,717,645 bales were stored in interior warehouses where the highest rates prevail.

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. CRAWFORD. Mr. Speaker, it will be claimed that the port warehouses are owned by the rich fellows; it will be claimed that this is a raid on the interior warehouses, the little fellow, by the big octopus, the economic royalists—the man who wants to destroy the little fellow—but I have information which satisfies me, at least, that a number of the interior warehouses are owned and controlled financially by the big fellows on the coast.

It will also be claimed that the big fellows on the coast, particularly one big operator in the State of Texas, has taken his money and poured it into South America, developing the cotton industry against the interests of the American cotton grower. Since when has it been news that the administration has been promoting policies which induces the shipment of manufactured machinery to other countries in payment of agricultural goods coming into this country? Of course, manufactured machinery in the form of ginning machinery, tractors, and other tools have gone to Brazil and have gone into cotton production and cotton processing. Of course, the smart, sagacious fellows of the South followed that trend to Brazil under our cotton-control movement and under our reciprocal trade-agreements plan. Indeed they did that. Now, then, will you condemn an American for going to foreign lands, particularly to Latin America, when the front pages of your papers are loaded with the proposition of "Southward we must go"? Those who have so faithfully supported the President's reciprocal trade-agreement plan must find themselves in a perfectly ridiculous position for condemning a man for going along and supporting reciprocal-trade agreements, the good-neighbor policy, the Latin America good will policy, and the disastrous cotton-control policy through taking his money to Brazil, investing it there in the production of cotton and cotton goods, where there is no Government interference. I do not condemn the Texan, but I do condemn the administration and those who promoted and supported the policy which makes it so profitable for the Texan to do so. Of course he did it. If we could establish the record, we would find that many southern cotton men have done that very thing.

It comes right back to this proposition: If you will take Public, No. 660, of June 16, 1938, you will find this interesting provision in the law. It will be contended that this provision now protects the Commodity Credit Corporation, as my suggested amendment would protect it, but such contention cannot be supported. What is the truth? If the Commodity Credit Corporation can effectuate downward these warehouse charges, why has not the Commodity Credit Corporation done so?

It has not done so because of this interesting provision in the June 16 amendment, which states:

Provided, however, That in cases where there is congestion or lack of storage facilities—

And it goes on in detail—

or if carrying charges are substantially in excess of the average of carrying charges available elsewhere, and the local warehouse after notice declines to reduce such charges, such written consent as provided in this amendment need not be obtained.

That is, the written consent of the grower.

How is the Commodity Credit Corporation going to substantiate that Mr. A's carrying charges are substantially greater than Mr. B's carrying charges? The rates are virtually uniform. My contention is that the Commodity Credit Corporation, by section 383, subsection (b), and by Public, 660, has been denied the right to go in and negotiate for reduced carrying charges in storage and insurance, and therefore the Commodity Credit Corporation has been forced by acts of Congress to go along and have the taxpayers bear these unreasonable and exorbitant warehouse charges shown in the schedules here displayed.

If the Commodity Credit Corporation can show, and if it will issue an official statement to the effect that it will reduce the rates on this 6,943,000 bales plus such other bales as title may be taken to by the Government, I have no complaint. I am not fighting for the rich man on the coast or for the rich man in the interior. I have satisfied myself that all these warehousemen are making fabulous profits through this rate of 25 cents per bale. One warehouse company has been paid, and is to be paid, for instance, \$8,518,000 for warehousing. Another \$942,000, another \$1,296,000, and another \$445,000.

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I yield 5 additional minutes to the gentleman from Michigan.

Mr. CRAWFORD. When this bill came before the Committee on Banking and Currency I was perfectly satisfied to accept the Senate bill as it was sent to us, but the warehouse crowd induced the committee to put in the interesting language, which you will find in the House print of the bill. The claim will be offered that the Committee on Banking and Currency should not disturb law already enacted by Congress. If the Committee on Banking and Currency does not want to protect the warehousing monopoly, you might call it, in the 25-cent rate, why did they disturb the Senate bill? If the committee is willing to eliminate the amendment put in the Senate bill by the Committee on Banking and Currency I have no further objection. I am willing to accept the Senate bill as it came to the Committee on Banking and Currency. But if you accept the Senate bill as amended by the House committee, then you are perpetuating this combination in restraint of trade, you are accepting this proposition which prevents the Commodity Credit Corporation from proceeding to negotiate for reduced rates on this cotton.

If you will adopt my amendment, the Commodity Credit Corporation can go to warehouse A and say, "Listen, Mr. Warehouseman, your rates are too high. Can you not bring them down a little?" If he declines, the cotton can be reconcentrated. What cotton? The cotton owned by the Government, not the cotton owned by the farmer. Let that stay in the community where it belongs until you are ready to ship it, or until the Government takes title thereto.

This whole thing is another barrier against the feeding of cotton into the channels of trade. I understand my New England friends will point out some of the damage that has come to the New England industry as a result of this practice.

Mr. Speaker, at the opportune time I shall proceed to offer amendments to correct the bill, so that it will be in the form I believe it should be.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I wonder if the gentleman would be willing to accept an amendment that would provide that some of this cotton in storage should be assigned to places in New England where they manufacture

textiles and where the storage of this cotton would be most helpful.

Mr. CRAWFORD. I certainly would be willing to accept such an amendment. If you will put cotton contiguous to the New England spinner, he will be able to buy from hand to mouth. He will not be forced to take long risks on the market. He will use more cotton, the banks will go along with him, and more cotton will be consumed. Cotton stored in New England near the mills will strengthen their chances for profitable operation, will add to their financial standing, will promote employment in New England. Certainly I shall support the gentleman's amendment.

I also wish to point out that of the total world consumption of cotton today the United States furnishes only 22.2 percent and other parts of the world are furnishing 77.8 percent. We need to store a little cotton, at least, that will be required for the spinners in New England. I hope the gentleman will offer such an amendment.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Georgia.

Mr. PACE. How would we know what cotton to ship to New England before we knew what the textile mills were going to buy?

Mr. CRAWFORD. I suggest the gentleman ask that question of the chairman of the Committee on Banking and Currency.

Mr. MARTIN of Massachusetts. I could tell the gentleman that. The gentleman knows that for years the New England spinners have been buying southern cotton, and the sellers of that cotton certainly know what they sell to the New England mills.

Mr. PACE. They buy only certain grades and staples.

Mr. MARTIN of Massachusetts. You know what those grades and staples are from past experience.

Mr. CRAWFORD. In that connection, as the House Committee on Banking and Currency amended the Senate bill, it is proposed that our agents determine the quality of cotton to be picked at your interior warehouses and sent to port to carry out this barter agreement. This agreement provides that such selection shall be made by the United Kingdom experts, so certainly, if you could carry out the intention of the Committee on Banking and Currency, you could fill those little orders for the New England spinners.

Mr. Speaker, under permit to include in the RECORD for information of House Members, I submit the letter which I received from Mr. Goodloe, vice president of the Commodity Credit Corporation; a schedule of payments made and to be made to cotton warehousemen; a statement showing cotton stored at port and interior warehouses; and a second letter from Mr. Goodloe dated July 26.

COMMODITY CREDIT CORPORATION,
Washington, July 22, 1939.

HON. FRED L. CRAWFORD,

House Office Building, Washington, D. C.

DEAR MR. CRAWFORD: Responsive to your letter of July 21, 1939, we submit herewith the following information:

1. Statement showing storage in excess of \$25,000 per year paid to warehouses during the cotton years 1936-37 and 1937-38 and an estimate of such charges for the cotton year 1938-39.

2. Loan cotton is stored at the following points:

Alabama: Mobile.

California: Los Angeles, San Pedro, and Stockton.

Florida: Pensacola.

Georgia: Savannah.

Louisiana: Lake Charles and New Orleans.

Mississippi: Gulfport.

North Carolina: Wilmington.

South Carolina: Charleston.

Texas: Beaumont, Corpus Christi, Galveston, Houston, and Texas City.

Virginia: Norfolk.

3 and 4. Schedules showing storage and insurance rates applicable at all warehouse locations. Since a flat rate is made for both storage and insurance, it is not possible to separate these charges.

5. In the absence of final specifications from the British Government as to the qualities of cotton desired, it is not possible to estimate the quantity of cotton to which it may be necessary for the Corporation to take title.

6. It is not possible to estimate the dollar value of damage at inland warehouses. However, it is not thought that there is any large amount of such damage, and Commodity Credit Corporation

has protection under the warehouseman's bond in the event of damage to cotton while in storage.

7 and 8. Section 383 (b) of the Agricultural Adjustment Act of 1933 reads as follows:

"Cotton held as security for any loan heretofore or hereafter made or arranged for by Commodity Credit Corporation shall not

hereafter be reconcentrated without the written consent of the producer or borrower."

This section was amended by the act approved June 16, 1933 (Public, No. 660, 75th Cong.), copy of which is attached hereto.

Very truly yours,

JOHN D. GOODLOE, Vice President.

List of interior warehouses to which storage was paid in excess of \$25,000 per year during cotton fiscal years Aug. 1, 1936, through July 31, 1938, and estimated storage for cotton fiscal year Aug. 1, 1938, through July 31, 1939

Name of warehouse	Storage paid for period Aug. 1, 1936, through July 31, 1937	Storage paid for period Aug. 1, 1937, through July 31, 1938	Estimated storage to be paid for period Aug. 1, 1938, through July 31, 1939	Total
Federal Warehouse & Compress Co., operating plants at Memphis, Tenn.; Arkadelphia, Ark.; Ashdown, Ark.; Blytheville, Ark.; Dumas, Ark.; Earle, Ark.; England, Ark.; Eudora, Ark.; Forrest City, Ark.; Fort Smith, Ark.; Helena, Ark.; Lake Village, Ark.; Little Rock, Ark.; Magnolia, Ark.; Mariana, Ark.; Marvell, Ark.; McGehee, Ark.; Morrilton, Ark.; Newport, Ark.; Osceola, Ark.; Pine Bluff, Ark.; Portland, Ark.; Russellville, Ark.; Searcy, Ark.; Truman, Ark.; Walnut Ridge, Ark.; West Memphis, Ark.; Conway, Ark.; Lake Providence, La.; Monroe, La.; New Orleans, La.; Belzoni, Miss.; Booneville, Miss.; Canton, Miss.; Clarksdale, Miss.; Cleveland, Miss.; Como, Miss.; Corinth, Miss.; Drew, Miss.; Greenwood, Miss.; Grenada, Miss.; Holly Springs, Miss.; Inverness, Miss.; Jackson, Miss.; Macon, Miss.; Marks, Miss.; New Albany, Miss.; Ripley, Miss.; Ruleville, Miss.; Shaw, Miss.; Shelby, Miss.; Tupelo, Miss.; Tutwiler, Miss.; West Point, Miss.; Aberdeen, Miss.; Amory, Miss.; Greenville, Miss.; Brownsville, Tenn.; Covington, Tenn.; Dyersburg, Tenn.; Jackson, Tenn.; Tiptonville, Tenn.; Milan, Tenn.; Texarkana, Tex.; Portageville, Mo.; Caruthersville, Mo.; Hayti, Mo.	\$467,338.00	\$2,874,748.35	\$5,176,631.18	\$8,518,718.13
Southeastern Compress & Warehouse Co., operating plants at Attalla, Ala.; Birmingham, Ala.; Dothan, Ala.; Guntersville, Ala.; Montgomery, Ala.; Albany, Ga.; Athens, Ga.; Atlanta, Ga.; Carrollton, Ga.; Cedartown, Ga.; Macon, Ga.; Rockmart, Ga.; Tallapoosa, Ga.; Greenville, S. C.; Charlotte, N. C.; Raleigh, N. C.	374,163.39	256,277.60	311,830.17	942,271.16
Union Compress Warehouse, operating plants at Decatur, Ala.; Hope, Ark.; Delhi, La.; Ferriday, La.; Rayville, La.; Winnboro, La.; Greenwood, Miss.; Natchez, Miss.; Rosedale, Miss.; Vicksburg, Miss.; Memphis, Tenn.	77,601.18	423,902.98	794,583.72	1,296,087.88
Western Compress Co., operating plants at Phoenix, Ariz.; Fresno, Calif.	84,786.79	84,786.79	860,757.71	445,544.50
Traders Compress Co., operating plants at Altus, Okla.; Anadarko, Okla.; Ardmore, Okla.; Chickasha, Okla.; Clinton, Okla.; Durant, Okla.; Elk City, Okla.; Frederick, Okla.; Hobart, Okla.; Mangum, Okla.; McAlester, Okla.; Muskogee, Okla.; Oklahoma City, Okla.; Pauls Valley, Okla.; Shawnee, Okla.; Waurika, Okla.; Weleetka, Okla.; Fort Worth, Tex.; Shamrock, Tex.; Wellington, Tex.; Wichita Falls, Tex.	98,199.00	338,027.99	497,584.32	933,811.31
Texas Compress & Warehouse Co., operating plants at Athens, Tex.; Brownfield, Tex.; Chillicothe, Tex.; Crosbyton, Tex.; Gilmer, Tex.; Lamesa, Tex.; Littlefield, Tex.; Mount Pleasant, Tex.; Naples, Tex.; Paducah, Tex.; Pittsburg, Tex.; Plainview, Tex.; Quanah, Tex.; Quitaque, Tex.; Ralls, Tex.; Slaton, Tex.; Lubbock, Tex.	50,070.60	542,557.52	317,838.86	910,466.98
American Compress Warehouse, operating plants at Alexandria, La.; Bunkie, La.; Natchitoches, La.; Shreveport, La.	2,727.00	152,025.83	260,750.61	415,503.44
Hattiesburg Compress Co., operating plants at Hattiesburg, Miss.; Houston, Miss.; Columbia, Miss.	13,180.00	133,809.82	197,260.92	344,250.74
Union Bonded Warehouse, operating plants at Carthage, Miss.; Newton, Miss.; Philadelphia, Miss.; Union, Miss.	7.32	80,164.41	189,361.89	269,533.62
Meridian Compress & Warehouse Co., Meridian, Miss.	17,235.00	109,757.28	84,821.04	211,813.32
Marked Tree Compress Co., Marked Tree, Ark.	90,126.77	104,926.32	195,053.09	390,106.18
Tri State Compress Co., Memphis, Tenn.	33,889.51	69,419.96	86,586.93	189,896.40
Arkansas Valley Compress & Warehouse Co., Little Rock, Ark.	21,479.64	67,491.15	91,780.39	180,751.18
Valley Compress Co., operating plants at Fresno, Calif.; Pinedale, Calif.	32,558.29	125,327.60	157,885.98	315,771.87
Memphis Compress Co., Memphis, Tenn.	8,897.51	68,681.52	148,530.53	326,109.56
Georgia-Carolina Warehouse, Augusta, Ga.	44,210.43	60,376.58	69,492.91	174,079.92
Arbyrd Compress Co., Arbyrd, Mo.	55,734.72	99,851.49	155,586.21	311,172.42
Arizona Compress Co., Phoenix, Ariz.	85,011.01	61,242.30	146,253.31	292,506.62
Jonesboro Compress Co., Jonesboro, Ark.	12,795.16	50,775.53	70,379.19	133,949.88
Farmers & Merchants Compress & Warehouse, operating plants at Clarksville, Tex.; Cleburne, Tex.; Dallas, Tex.; Garland, Tex.; Greenville, Tex.; Honey Grove, Tex.; Longview, Tex.; Paris, Tex.; Terrell, Tex.; Tyler, Tex.; Hugo, Okla.	23,236.20	180,641.66	284,169.24	488,047.10
Western Compress Co., operating plants at Abilene, Tex.; Hamlin, Tex.; Rule, Tex.; Sweetwater, Tex.	138,222.67	203,374.35	341,597.02	682,194.04
Exporters & Traders Compress & Warehouse, operating plants at Hillsboro, Tex.; Marlin, Tex.; Mart, Tex.; Waco, Tex.	1,429.20	42,804.33	63,467.46	107,700.99
Memphis Compress Co., operating plants at Hedley, Tex.; Memphis, Tex.	8,614.80	97,885.91	107,373.51	213,874.22
B. & F. Bonded Cotton Warehouse, operating plants at O'Donnell, Tex.; Stamford, Tex.	30,010.46	49,886.01	79,896.47	159,792.94
Peoples Warehouse, Yazoo City, Miss.	73.80	36,705.58	34,869.24	71,648.62
Mississippi Compress Co., Brookhaven, Miss.	12.60	17,079.38	39,934.62	57,026.60
Standard Warehouse, operating plants at Anderson, S. C.; Columbia, S. C.; Greenwood, S. C.; Newberry, S. C.; Orangeburg, S. C.	22,448.70	41,088.54	68,578.80	132,116.04
Edgcombe Bonded Warehouse, Tarboro, N. C.	30,935.36	46,841.57	53,410.08	131,187.01
Henderson Compress Co., Henderson, Tenn.	46,215.54	78,107.22	124,322.76	248,645.52
Greenville Compress Co., Greenville, Miss.	50,495.98	61,948.98	112,444.96	224,890.92
Augusta Warehouse & Compress Co., Augusta, Ga.	15,671.68	67,181.62	125,851.30	208,704.60
W. C. Bradley Co., Columbus, Ga.	31,959.36	41,045.04	43,004.76	116,009.16
Cullman Compress Co., Cullman, Ala.	19,260.00	44,755.92	57,514.59	121,530.51
State Bonded Warehouse & Storage Co., Decatur, Ala.	8,054.91	48,961.86	61,491.51	118,508.28
Selma Compress Co., Selma, Ala.	5,094.20	55,289.74	48,967.92	109,351.86
John C. Webb & Son, Demopolis, Ala.	8,336.52	42,421.65	42,959.16	93,717.33
Farmers Compress Co., Las Cruces, N. Mex.	30,841.77	60,101.10	90,942.87	181,885.74
Greenwood Compress & Storage Co., Greenwood, Miss.	460.80	34,306.82	60,205.95	94,973.57
Sunflower Compress Co., Indianola, Miss.	48.60	30,661.31	57,551.31	88,261.22
Dixie Warehouse & Storage Co., Huntsville, Ala.	5,301.00	26,127.54	31,345.92	62,774.46
Planters Warehouse & Storage, Huntsville, Ala.	4,197.60	25,941.06	39,753.54	69,892.20
Dallas Compress Co., Selma, Ala.	15,050.16	16,239.91	50,979.30	82,278.37
Tuscaloosa Compress Co., Tuscaloosa, Ala.	21,177.78	30,316.09	31,350.58	82,844.45
S. E. Neilson Warehouse, Demopolis, Ala.	1,648.80	14,036.04	25,920.26	42,605.10
Robinson Bonded Warehouse, Huntsville, Ala.	6,440.40	14,779.26	29,582.64	44,361.90
Alabama Warehouse Co., Montgomery, Ala.	10,411.20	21,031.58	25,341.06	56,783.84
Magnolia Compress Co., operating plants at Liberty, Miss.; Magnolia, Miss.; Tylertown, Miss.	35,896.44	39,245.04	53,713.04	128,854.52
Batesville Compress, Batesville, Ark.	27,927.71	20,774.88	48,702.59	97,405.18
Buffalo Island Compress Co., Leachville, Ark.	30,081.68	49,667.13	88,748.81	168,497.62
Wilson Compress & Storage Co., Wilson, Ark.	41,830.60	31,531.68	73,371.28	146,733.56
Helena Compress Co., Helena, Ark.	5,064.02	16,357.46	46,906.83	68,358.31
Savannah River Warehouse Co., Augusta, Ga.	9,219.60	29,547.54	38,459.76	77,226.90
Central Real Estate Warehouse Co., Augusta, Ga.	15,804.00	18,202.96	39,338.76	73,345.72
Raleigh Bonded Warehouse, Raleigh, N. C.	15,273.23	20,299.59	27,135.55	62,708.37
Palmetto Compress & Warehouse Co., Columbia, S. C.	10,520.64	12,681.26	26,512.86	49,714.76
Haynesville Cotton Warehouse Co., Haynesville, La.	1,042.20	21,821.58	42,646.95	65,510.73
Minden Compress Co., Minden, La.	21,117.30	20,866.50	57,983.80	99,967.60
Tallulah Compress Co., Tallulah, La.	26,968.47	44,931.06	71,899.53	143,800.06
Peoples Compress Co., Homer, La.	5,511.00	29,934.28	48,444.57	83,890.45
National Compress & Warehouse Co., Charleston, Mo.	13,423.27	38,772.27	52,195.54	104,391.08

List of interior warehouses to which storage was paid in excess of \$25,000 per year during cotton fiscal years Aug. 1, 1936, through July 31, 1938, and estimated storage for cotton fiscal year Aug. 1, 1938, through July 31, 1939—Continued

Name of warehouse	Storage paid for period Aug. 1, 1936, through July 31, 1937	Storage paid for period Aug. 1, 1937, through July 31, 1938	Estimated storage to be paid for period Aug. 1, 1938, through July 31, 1939	Total
Dunklin County Compress & Warehouse Co., Kennett, Mo.		\$22,063.08	\$52,972.83	\$75,035.91
Big Springs Compress Co., Big Springs, Tex.		87,428.18	92,685.15	180,113.33
Lubbock Compress Co., Levelland, Tex.		32,163.77	52,240.77	84,404.54
Lubbock Compress Co., Lubbock, Tex.	\$29,001.60	89,833.60	124,156.08	242,991.28
Plains Compress Co., Lubbock, Tex.		106,563.80	77,137.92	183,701.72
Panhandle Compress & Warehouse, Plainview, Tex.		33,891.01	51,916.14	85,807.15
United Compress & Warehouse, Ralls, Tex.		84,208.31	125,322.75	209,531.06
Farmers Cotton Yard & Warehouse, Winnsboro, Tex.		25,322.97	34,665.30	59,988.27
Texas Compress Co., Ballinger, Tex.	5.40	20,704.02	35,800.83	56,510.25
Texas Compress Co., Brownwood, Tex.	284.40	15,050.32	42,328.26	57,662.98
Henderson Compress Co., Henderson, Tex.		15,093.32	26,396.10	41,489.42
Spur Compress Co., Spur, Tex.		20,375.11	52,601.85	72,976.96
Stamford Compress Co., Stamford, Tex.		21,265.28	30,250.26	51,515.54
Interstate Compress Co., Vernon, Tex.	7,274.40	18,791.14	28,967.13	55,032.67
Houston Compress Co., Childress, Tex.		35,367.67	1,702.46	37,070.13
Pecos Valley Compress Co., Roswell, N. Mex.		40,168.88	45,256.32	85,425.20

List of port warehouses to which storage was paid in excess of \$25,000 per year during cotton fiscal years Aug. 1, 1936, through July 31, 1938, and estimated storage for cotton, fiscal year Aug. 1, 1938, through July 31, 1939

Name of warehouse	Storage paid for period Aug. 1, 1936, through July 31, 1937	Storage paid for period Aug. 1, 1937, through July 31, 1938	Estimated storage to be paid for period Aug. 1, 1938, through July 31, 1939	Total
Cotton Concentration Co., Galveston, Tex.	\$12,983.18	\$326,795.79	\$326,195.04	\$665,974.01
Merchants & Planters Compress & Warehouse, Galveston, Tex.	13,247.08	46,478.32	46,572.48	106,297.88
Southwestern Warehouse Co., Galveston, Tex.		38,825.98	48,135.84	86,961.82
Exporters Compress & Warehouse Co., Houston, Tex.	1,776.78	29,739.52	47,877.36	79,393.66
Houston Compress Co., Houston, Tex.	2,482.20	126,588.40	190,572.76	319,643.36
Manchester Terminal Corporation, Houston, Tex.	3,888.73	95,733.43	142,141.76	241,763.92
Menkwa Compress Co., Houston, Tex.	171.00	46,383.23	56,444.40	102,998.63
Port City Compress & Warehouse, Houston, Tex.	672.30	75,143.13	115,044.72	190,860.15
Beaumont Cotton Compress Co., Beaumont, Tex.	15,477.90	20,710.15	41,579.07	77,767.12
Brownsville Port Compress & Bonded Warehouse, Brownsville, Tex.			65,147.04	65,147.04
Aransas Compress Co., Corpus Christi, Tex.	7,307.61	9,483.06	24,539.09	41,329.76
Port Compress Co., Corpus Christi, Tex.	5,808.60	8,978.40	31,742.28	46,529.28
Galveston Cotton Co., Galveston, Tex.	212.40	45,256.27	47,056.68	92,525.35
Cleveland Compress Co., Houston, Tex.	792.00	11,030.72	32,921.28	44,794.00
Southern Compress & Warehouse, Houston, Tex.		20,153.87	27,907.20	48,061.07
Terminal Warehouse Co., Houston, Tex.		24,529.72	40,214.52	64,744.24
Norfolk Warehouse Corporation, Norfolk, Va.		37,365.29	40,613.89	104,338.20
New Orleans Compress Co., New Orleans, La.	53,801.00	69,993.83	75,585.93	199,380.76
Public Cotton Warehouse, New Orleans, La.	2,548.80	32,240.75	138,279.78	173,069.33
Shipside Storage Co., New Orleans, La.	21,124.74	25,329.17	25,228.59	71,682.50
Shippers Compress Co., New Orleans, La.	90,070.32	116,856.54	128,785.52	335,712.38
Alabama Warehouse Co., Mobile, Ala.	32,201.23	40,455.88	41,215.71	113,872.82
Alabama State Docks Bonded Warehouse, Mobile, Ala.	20,771.40	30,082.19	35,350.84	86,174.43
Southeastern Compress & Warehouse, Savannah, Ga.				
Southeastern Compress & Warehouse, Pensacola, Fla.	155,469.17	203,373.34	205,760.28	564,602.79
Mississippi-Gulfport Warehouse, Gulfport, Miss.	11,973.24	44,939.70	82,960.65	139,873.59
Western Compress Co., San Pedro, Calif.	3,404.70	48,036.07	148,938.57	200,379.34

Statement showing 1934-35 and 1937-38 loan cotton stored at port and interior locations for each State

	1934-35		Total, 1934-35	1937-38		Total, 1937-38	Total, 1934-35 and 1937-38
	Port	Interior		Port	Interior		
Alabama	22,046	199,276	221,322	4,421	777,976	782,397	1,003,719
Arizona	0	0	0	0	56,292	56,292	56,292
Arkansas	0	121,483	121,483	0	548,390	548,390	669,873
California	5,377	0	5,377	100,480	38,096	138,576	143,953
Florida	2,942	49	2,991	176	1	177	3,168
Georgia	111,525	250,396	361,921	10,649	431,462	442,111	804,032
Illinois	0	1,147	1,147	0	21	21	1,168
Louisiana	122,710	17,603	140,313	66,652	232,780	299,432	439,745
Mississippi	26,665	36,477	63,142	10,784	583,415	594,199	657,341
Missouri	0	0	0	0	76,585	76,585	76,585
New Mexico	0	0	0	0	36,687	36,687	36,687
North Carolina	5,527	95,924	101,451	2,302	117,292	119,594	221,045
Oklahoma	0	54,839	54,839	0	75,900	75,900	130,739
South Carolina	11,181	92,788	103,969	13,282	240,892	254,174	358,143
Tennessee	0	190,693	190,693	0	295,126	295,126	485,819
Texas	201,728	74,604	276,332	485,812	1,065,210	1,551,022	1,827,414
Virginia	16,466	1,204	17,670	4,641	5,067	9,708	27,378
Total	526,167	1,136,543	1,662,710	699,199	4,581,102	5,280,301	6,943,011

Port:

1934-35	526,167
1937-38	699,199
	1,225,366

Interior:

1934-35	1,136,543
1937-38	4,581,102
	5,717,645
	6,943,011

COMMODITY CREDIT CORPORATION,
WASHINGTON, July 26, 1939.

HON. FRED L. CRAWFORD,
House of Representatives, Washington, D. C.

DEAR MR. CRAWFORD: Responsive to your inquiry of even date, you are advised that prior to the enactment of the Agricultural Adjustment Act of 1938, the producer's note and loan agreement, employed in connection with all loans on cotton contained a provision whereby the producer authorized Commodity Credit Corporation to reconcentrate the pledged cotton and charge the costs of same against the cotton.

Enclosed is a specimen copy of the form of producer's note and loan agreement employed in connection with the 1937-38 loans, your attention being directed to section 6 of the loan agreement. Enclosed also is specimen copy of the 1938-39 producer's note and loan agreement, your attention being called to the provisions of section 6 of the loan agreement. The 1938-39 loans are the only loans made upon cotton by the Corporation since the enactment of the Agricultural Adjustment Act of 1938.

The other questions you asked will be answered in the order stated in your letter:

1. Based on the information available, it is estimated that not more than 200,000 bales of the cotton now stored at ports, upon which advantageous shipments can be made, will meet the requirements of the British Government.

2. The estimate of from 250,000 to 350,000 bales of cotton now stored at ports which would probably meet the British specifications is reasonably accurate, considering all ports. However, the California and Atlantic ports should be eliminated because of higher freight rates from California and the proximity of the Atlantic ports to domestic mills. The exchange agreement recently ratified by the Senate provides for a flat price at New Orleans or any other Gulf or Atlantic port agreed upon.

3. The English Government has not officially specified the exact grades and staples desired and has indicated they will not do so until the agreement comes into effect. Informally, however, they have indicated the grades and staples.

4. The foregoing information is based upon such informal and unofficial specifications of the English Government as to the grades and staples desired and estimates made in the records of this Corporation.

Commodity Credit Corporation has not yet acquired title to any of the loan cotton, and it is possible to answer your last inquiry only by explaining generally the procedure we propose to follow, based upon the information now available. We enclose memorandum showing by States, the amount of 1934-35 and 1937-38 loan cotton-securing loans held by Commodity Credit Corporation and stored at interior and port locations.

The 1934-35 loans, by their terms, matured July 31, 1935, were extended to February 1, 1936, and have since been carried by the Corporation as past due. The amount which the Corporation has invested in such cotton, including the original amount of the loan plus accrued interest and all charges, is approximately 15 cents per pound. In connection with the exchange agreement, it is proposed that the Corporation acquire title to this cotton and make delivery out of same to the British to the extent the grades and staples required by the British can be supplied out of this stock. Since approximately 2,257,000 bales of the original stock of 1934-35 cotton have been released, and the British Government has informally indicated it will desire cotton grading middling $\frac{3}{8}$ -inch or better, it is probable that not more than 100,000 to 150,000 bales of the 1934-35 loan cotton can be used.

The 1937-38 loans, by their terms, matured July 31, 1938, and were extended to July 31, 1939, pursuant to the provisions of section 382 of the Agricultural Adjustment Act of 1938. With few exceptions, the amount the Corporation has invested in this cotton, including the original amount of the loan plus accrued interest and all charges, is in excess of its present market value. This cotton has not been classed, the loans being made upon the certification by the warehouseman that, in his opinion, the cotton fell within certain classification groups. For example, to be eligible for the maximum loan authorized under the 1937-38 loan program, the warehouseman was required to certify that in his opinion cotton was middling $\frac{3}{8}$ -inch or better. According to our records, approximately 2,000,000 bales of 1937-38 loan cotton were certified by the warehousemen to have been middling $\frac{3}{8}$ -inch or better, although the experience of the Corporation is that such determination by warehousemen is only reasonably accurate. Thus, to complete delivery of the required amount of cotton and of the grades and staples tentatively indicated to be desired by the British Government, it will be necessary for the Corporation to acquire title to the 9-cent loan cotton under the 1937-38 program and complete delivery out of this stock.

Very truly yours,

JOHN D. GOODLOE,
Vice President.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and include therein certain statistics from which I have quoted.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COLMER. Mr. Speaker, I yield 10 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I believe there is no objection to the adoption of this rule giving consideration to this bill. There was no objection I heard in the Rules Committee either to the rule or to the bill itself. The only controversy, I believe, is with respect to the amendment which the gentleman has just been discussing, but I have asked for this time to discuss a different matter, which is in the nature of a question of personal privilege.

Mr. Speaker, in the recent debate on the resolution to investigate the National Labor Relations Board the lady from New Jersey allowed herself to be diverted from the subject under discussion in order to make a personal attack on me. She said:

Mr. Speaker, I have a great deal of respect for the gentleman from Virginia, but certainly he is the last man in the world to pass on labor legislation. I have taken the trouble to investigate his labor record, and I have yet to find a single labor bill for the benefit of the workers of the country that he has ever voted for.

Of course, the lady did not mean that she has complimented me by personally going through the long record of my votes for the past 9 years. She meant that someone else had

allegedly done so and supplied her with the information. I had hoped, after the heat of the debate had subsided, that she would herself have corrected the misstatement. As she has not done so, it becomes necessary for me to make the correction.

I do not desire to criticize the lady from New Jersey. I have never criticized any Member on the floor. We are all here to do our duty as we see it. We all make mistakes, and it does not lie in the mouths of anyone of us to condemn another. I know that with rare exceptions the Members all pursue the course that they sincerely and honestly believe to be in the best interests of the country.

But the charge that the lady from New Jersey has been induced to make against me is so contrary to the facts that I cannot permit it to go unchallenged.

She speaks as the mouthpiece of a group that could never be elected by the suffrage of a people to come here and speak for themselves.

It is a mere repetition of the charge that was the theme song of the base purge campaign against me in the primary of 1938. The overwhelming vote of confidence given me by my people at the polls in answer to the charge should have sufficed to silence their guns. But their sniping campaign has never ceased. Conducted from behind the scenes by pusillanimous Lilliputians, who, embittered by the knowledge that they could never hope to hold office by the suffrage of the people, and with no conception of, or sympathy with, the fundamental principles of the Democratic Party, have fastened their vampirelike clutches upon its body and are seeking to suck its lifeblood.

In the late purge campaign against me the same charge was made, and both charges bear the earmarks of the same source. I replied to and refuted that charge in my campaign, citing my actual votes on bona fide labor measures, and no one thereafter in that campaign attempted to challenge the accuracy of my statement. I mentioned that I had voted for the Anti-Injunction Act, the Social Security Act, the long-and-short-haul bill, the Railroad Retirement Act on every occasion when it was before the House, and other measures of vital interest to labor. And yet the lady from New Jersey is induced to state that I never voted for a measure in the interest of labor.

I voted against the Guffey Coal Act, which did not affect a single laborer in my district except to raise the price of every ton of coal he bought, and incidentally raise the price to every other consumer of coal. That vote is justified by the fact that after a brief and useless existence the Board has been abolished and such minor functions as are now being performed have been transferred to another bureau. The whole act was admittedly a dismal failure, and the country and the industry would have been better off had it never become law.

I voted against the wage-hour law, knowing that it would work untold injustice and hardship on small industries, on unorganized workers, and on many branches of agricultural pursuits. The overwhelming clamor in this body today for amendments to the act, after less than 1 year of operation, more than justifies the fears I expressed in speaking against the measure.

I do not claim a record of 100-percent obedience to the demands of labor or of any other special group.

Members of this body come here to represent the interests of all of the people.

To boast of utter subservience to the demands of any minority pressure group is to boast of failure to perform our full duty.

When I leave this place I would rather have it said of me that I had the fortitude to resist the pressure of all such interests than to have it said that I stood, ever faltering and fawning, ready to "bend the pregnant hinges of the knee" at the nod and whim of any group that might threaten me with political reprisal. [Applause.]

I know that is not the philosophy of the little group of self-appointed, self-anointed liberals. I believe in a liberal

government but of the kind exemplified by the doctrines of Jefferson; a liberality that accords to all groups an equal opportunity under the law, to work out their own destiny, with special privileges to neither the rich nor the poor, to neither organized minorities of voters, nor to organized wealth-demanding special privileges. I believe in the Jeffersonian liberality that included a broad and liberal tolerance of the views of others with whom we may not agree; according them the same freedom of thought and action which we claim for ourselves.

I do not care to align myself with that school of liberal thought which manifests itself solely in a prodigal liberality with other people's money and with other people's liberties, and which denounces as reactionaries and Tories all who dare to disagree.

In my service here, I try to reflect as best I can the sentiment and the philosophy of the great people of my district who send me here. Those people spring from an ancestry whose roots are imbedded in the very foundations of the Republic.

Reared in this background, my constituents and I find it difficult at times to break away from the moorings which have held so firmly and securely through the storms and vicissitudes in the past.

It is idle today to debate the question of which philosophy is right and which is wrong. Only in the distant perspective of time can the true answer be written.

Only the generations that are to follow us, shackled with the burdens we have placed upon them, or, if you please, freed from the chains of an antiquated system of government, can properly appraise the work of this and preceding Congresses.

I am content to rest my case with the assertion that while here I shall continue to exercise the best judgment that I possess in advocating what I believe to be in the best interest of the whole people, and to—

Let historians of tomorrow say
Who best served God and man today.

[Applause.]

Mr. MAPESE. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I yield 20 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Speaker, the real issue here is with respect to the 600,000 bales of cotton to be delivered to England when England calls for it in exchange for rubber. So the argument presented by the distinguished statesman from Michigan [Mr. CRAWFORD] is not germane. The question of storage rates is not a problem for us to consider in connection with this measure. The warehouse rates were fixed in the laws passed by the Congress last year and, I believe, in 1935. These bills came from the Committee on Agriculture, the proper committee to consider legislation of this type.

Mr. Speaker, it is necessary that this bill be enacted into law to enable the Government to carry out the treaty obligation entered into with Great Britain for the exchange of 600,000 bales of cotton for rubber. Therefore it is necessary to give to the Commodity Credit Corporation authority and powers to effect the exchange of agricultural commodities produced in the United States and held by it for strategic and critical materials produced abroad.

Conditions have arisen in many countries in connection with the production of substitutes for cotton that make it highly desirable for this Government to enter into barter agreements such as covered by this bill. The cotton-producing States are therefore thoroughly in accord with and heartily embrace the purpose back of this bill. We have lost a great deal of our export trade in cotton and have a large surplus of cotton on hand now. This barter agreement and others to follow will materially assist us in regaining our foreign markets for cotton.

The actual operation of the Government loans has for its purpose to stabilize the price for the producer, and has not resulted in any substantial loss to the Government.

The Banking and Currency Committee of the House reported favorably the bill S. 2697, with the following amendment:

In determining specific cotton to be exchanged under this act, the determination shall be made by sampling and selection at the place where the cotton is stored on the date of enactment of this act, and no cotton shall be exchanged which, after such date, is transported to another place and there sampled and selected.

This amendment is not intended to hamper the barter agreement in any particular and was adopted by the committee for the reason that it is definitely known now that it is the plan and design of the Commodity Credit Corporation to move at least 2,000,000 bales from the present interior locations prior to any knowledge as to whether or not such cotton will meet the demands of England or will be suitable for exchange under the barter agreement or whether or not the port location will be the one agreed upon by England.

In order to show the necessity for this amendment, I desire to briefly analyze the barter agreement. It requires:

First, that delivery of the cotton compressed to high density must be made on board ship.

Second, the delivery must be made at New Orleans and at other Gulf and Atlantic ports to be agreed upon between the two governments.

Interior cotton is uncompressed and located close to domestic mills, where it has a greater value, whereas port cotton in most cases is compressed to high density.

The mere statement of the terms with respect to the port of delivery should indicate to any reasonable person that the cotton should not be moved from its present locations until some information is available to this Government as to what ports England might suggest or desire to use.

Article 1 (C) of the barter agreement obligates this Government to make delivery at the warehouse at the port of sailing with free delivery on board ship within 15 days after inspection and acceptance by England. From my knowledge of the cotton business, I know that the port of sailing will change with the shipping needs and demands of the English Government. I also know that cotton in its present interior locations can be handled to any port of sailing after inspection and acceptance within 5 days after shipping orders are given to the interior warehouses. I therefore say that the only safe way for this Government to undertake to fulfill the terms of the barter agreement is to class the cotton at its present locations and to use the samples thus obtained for inspection by the Government of England. After acceptance the cotton will then be available for immediate shipment to any port of sailing designated by England, without involving this Government in the wasteful and uneconomic practice of forwarding the cotton to one port without regard for whether or not that will in fact be the port of sailing.

This amendment will require the Commodity Credit Corporation to ascertain the grade and staple of cotton at its present location so that these contingencies may be met prior to a blundering movement of the cotton to just any port when the Corporation might desire to favor some port warehouse with some storage business.

Article 1 of the barter agreement provides for the exchange of 600,000 bales of raw cotton for rubber and specifically provides that the grades and staples will be specified by the Government of England. The proposition to move 2,000,000 or more bales of cotton to port locations prior to the specification of the grades and staple by the Government of England is unsound, unreasonable, and very expensive. [Applause.] Therefore, the committee adopted this amendment which requires the Commodity Credit Corporation to ascertain the grade and staple of the cotton at its present locations and then, when they learn what grades and staples will be specified by the Government of England, they may with all the freedom in the world move adequate quantities of that grade and staple to such port locations as England may designate for delivery on board ship.

Your particular attention is directed to article 1 (B) of the barter agreement. It is there stated that experts represent-

ing the Government of the United Kingdom will inspect and determine the classification of the cotton in accordance with the universal cotton standards for grade and the official standards of the United States for staple. All Members of Congress familiar with the handling of cotton know that this inspection will be on samples taken from the actual bale of cotton. This is the universal practice in the marketing and handling of the cotton. This amendment requires the Commodity Credit Corporation to ascertain the grade and staple, which they will do from samples. Those samples will then be available for inspection by the representatives of England. When England has made its selections from the samples thus made available, there will be ample opportunity to move the cotton from its present locations to the ports designated by England. This is the way a cotton merchant would handle his business. It is certainly the way the Government should handle its business.

Article 1 (B) of the barter agreement provides that experts appointed by the Government of the United Kingdom will accept the cotton. This, too, will be done on samples, and therefore it is important for the Commodity Credit Corporation to not only have the cotton graded and stapled, but it will be necessary to have the samples available for such acceptance by the experts representing the United Kingdom.

This amendment not only will provide for such method of handling the cotton but will require the Commodity Credit Corporation to immediately prepare itself so that the exchange may be made according to the terms and provisions of the barter agreement.

I particularly direct your attention to the provision of article 1 (B) of the barter agreement that disputes will be determined by boards of referees. This Government should have its own official classification of the cotton prior to the inspection and acceptance of the cotton by Great Britain so that it may be in position to protect itself with respect to any such disputes that might be submitted to a board of arbitration.

I understand it has been said that this Government cannot class the cotton because the period of time is too short. To that objection I answer that it will not take this Government any longer to classify the cotton than it would some independent agency other than the Government.

Article 1 (C) of the barter agreement provides that samples will be made available covering the grades and staples specified by England. What this Government is proposing to do, in order to meet that requirement, is to move 2,000,000 or more bales of cotton to port locations prior to any knowledge as to whether or not the port location will be the one desired and prior to any knowledge as to what grades and staples might be specified by the Government of England.

The amendment requires the Commodity Credit Corporation to sample the cotton at its present locations, grade and staple the cotton, then to tender the samples to the representatives of England on the grades and staples which they do specify, and then to handle only the cotton which is accepted by England under the exchange agreement.

The inspection and acceptance is to be during a 6-month period beginning 15 days subsequent to the effective date of the barter arrangement with Great Britain. The effective date, of course, will be after the President has completed the treaty arrangement with Great Britain. In the meantime the Commodity Credit Corporation should be prepared to meet the terms of the agreement, and this amendment requires them to obtain the essential information that will make certain that this Government will be in position to meet the terms of the agreement.

The amendment will not in any way interfere with the exchange agreement. To the contrary, it will facilitate and make possible the orderly exchange of cotton for rubber and in this connection I desire to call your attention to the following facts:

The first loan was the loan made during the season 1934-35, which had as a basic loan value 12 cents per pound for Middling seven-eighths cotton. The Government received into that loan 5,008,000 bales of cotton. There were

no loans during 1936 and 1937. The loan stock for the season 1934-35 was by the 1937 season reduced to 1,665,000 bales of cotton. Most of the cotton was sold by withdrawals from the loan without loss to this Government. Substantial quantities were delivered to the relief agencies of the Nation. There are only 1,662,710 bales remaining of the old 1934-35 12-cent-loan cotton. The remainder of the 11,419,000 bales now held in Government loans is the cotton placed in the loan during the 1937-38 season and the 1938-39 season. The 1937-38 loan was on the basis of 9 cents per pound for Middling seven-eighths cotton. The 1938-39 loan was fixed at 8.30 cents per pound for Middling seven-eighths cotton. The average market value today at the 10 spot markets in the United States is 9.35 cents per pound for Middling seven-eighths cotton. It is therefore obvious that the Government is not going to dispose of any cotton at a loss under the barter arrangement. As a matter of fact, cotton is being rapidly withdrawn from the loan by producers and sold at a small profit over the loan value.

There are 6,943,011 bales held by the Government in the 1934-35 and 1937-38 loans, located as follows:

	Bales
At ports.....	1,247,405
At interior locations.....	5,695,606

I am definitely informed that this is the cotton that will be involved in the exchange agreement. Your particular attention is called to the fact that the barter agreement specifies New Orleans, La., as the preferred port of delivery, and lists other Gulf ports and Atlantic deep-water ports as secondary ports of consideration. For your information, there are now available for the immediate classification by the Commodity Credit Corporation 199,462 bales at the port of New Orleans. There are located at the nearby Texas ports 687,701 bales; and at Mississippi ports 37,449 bales, making a total of 924,612 bales within the immediate territory where the delivery will probably be effected. The remainder of the 1,247,405 bales at port locations is located at ports scattered from California to Norfolk, Va., as follows:

	Bales
California.....	93,218
Georgia.....	122,174
Florida.....	3,118
North Carolina.....	7,829
South Carolina.....	24,463
Virginia.....	21,107

It ought to be obvious that, should the barter agreement be made effective in the morning, there are 924,000 bales immediately available to the Commodity Credit Corporation for immediate tender to the British Government.

The amendment requires the Commodity Credit Corporation to immediately place itself in position to properly handle the exchange agreement. It does not in any way prohibit the reconcentration of cotton or require the proration of it as between territories and communities.

Why would any representative of this Government desire to move cotton to the ports which is not suitable for exchange under the agreement? Why would any representative of this Government want to move quantities to the ports which are not necessary to complete delivery?

We should not permit the issue of storage rates to confuse the real matter confronting us in connection with the movement of this cotton. I submit that the amendment provides the machinery whereby the Government may properly equip itself to perform the terms of the agreement, and any objection to the amendment must therefore be founded upon grounds other than the obligation to meet the terms of the exchange arrangement with England. [Applause.]

Mr. Speaker, I wish to say just one word further. It is true that a great deal of this cotton is now compressed, and it does not cost as much to store compressed cotton, which makes a package about one-third the size of the average bale of cotton. The average price today, I would say, or the average warehouse fee, is 18 cents per bale per month, including insurance. Years ago the price was as much as 30 cents, or even more. It has been reduced from 25 cents to 18 cents within the past year in the interior points, and at

port locations you have a charge, I believe, on the average of 13 cents. The price there is lower for the reason that most of the cotton they handle is compressed.

Besides, we want to supply North Carolina as her mills take 1,666,000 bales annually; South Carolina with a smaller amount; and Georgia and the other States of the South that have manufacturing enterprises at this time.

It is not necessary to take this cotton from the interior warehouses until it is needed.

The producer of cotton has a right to look at his cotton whenever he desires, as the title is in him, and he should not be deprived of this right by sending the cotton a thousand miles away to some other warehouse when the cotton is not needed to carry out the barter agreement. [Applause.]

[Here the gavel fell.]

Mr. COLMER. Mr. Speaker, I move the previous question. The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2697, to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2697, with Mr. SPARKMAN in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection the first reading of the bill will be dispensed with.

There was no objection.

Mr. STEAGALL. Mr. Chairman, the purpose of this bill is to provide for the delivery of 600,000 bales of cotton now covered by Government loans in settlement of a treaty agreement with Great Britain by which we are to exchange this amount of cotton for rubber of equivalent value? In considering the bill, the Banking and Currency Committee approached the matter with a view of accomplishing the purpose of the bill—to provide for the delivery of the cotton under the treaty contract. There are stored throughout the country in the various warehouses 11,000,000 bales of cotton, plus. Such loans were made by the Government on cotton, the question of storage has been one to be considered by the Commodity Credit Corporation, and by the farmers who produced the cotton and by the legislative branch of the Government. Because of controversy between interior and port warehousemen, I do not wish to be understood as approaching this subject from the standpoint of the controversy between the two groups of warehousemen. It was the purpose of the Banking and Currency Committee to avoid entering the controversy with reference to the storage of this cotton. If we could have done so, we would have reported this bill without the slightest reference to the matter of concentration in warehouses or any remote reference to that matter, but here is the situation. The controversy over the storage of the cotton reached the point where the Congress decided to pass legislation on the subject and various measures were enacted. It was the purpose of the Committee on Banking and Currency to leave the law on the subject of cotton storage as nearly as might be precisely as we found it, but it became manifest that under the provisions of the bill requiring the delivery of cotton to Great Britain, the matter of storage had to be dealt with, if we were not to risk repealing or setting aside the existing law on the subject of the storage of cotton, upon which the Government had made loans.

I shall trace that controversy briefly in order that Members may understand its history. This cotton, of course, was originally stored in warehouses in the cotton-growing sections of the country and in interior warehouses—some

of the warehouses are owned by cotton farmers and farmer cooperatives. It developed that a limited number of large cotton exporters and warehousemen sought to secure the concentration of cotton in the larger warehouses and at maritime ports. Naturally the interior warehousemen and cotton growers felt that the cotton should be left where it was produced, where the farmers who grew the cotton could see it and inspect it in person whenever grading and classification and stapling were to take place. Finally the Congress passed an act providing that the cotton could not be moved from concentration in the port warehouses without the written consent of the growers producing the cotton. Following the passage of that act it developed that the Commodity Credit Corporation adopted the practice of including in contracts of loans to individual borrowers an agreement in writing that the cotton might be reconcentrated. Later the Congress passed an amendment to that act providing that cotton could not be reconcentrated without the written consent of the cotton growers and such to be given, in a separate contract agreement in writing, permitting its transfer for reconcentration. Another amendment was adopted by providing that the Corporation might reconcentrate cotton when local warehouses did not have adequate storage facilities, or where cotton was not insured or in cases where substantially lower storage rates were offered, unless such rates were met by local warehouses. It is this law that the Banking and Currency Committee is trying to preserve.

It is our desire to prevent the use of the pending measure, the sole legitimate purpose of which is to accomplish the transfer of this cotton to Great Britain, to be employed as an instrumentality by which the former enactment of Congress may be nullified, and that is all there is in this controversy. That legislation was passed, after the matter had been in controversy for years, and represents deliberate and repeated action by Congress. Not only is that true, but in 1935, as I remember—I am not so sure at the moment as to the date—an act was passed by the Senate to prevent reconcentration of this cotton. The measure was approved by the House and the bill went to conference. The conference was dragging into the closing hours of the session, and a one-man filibuster in the Senate prevented the final adoption of the conference report embodying that legislation as it had been passed by both Houses. But notwithstanding the action of both Houses on that matter, notwithstanding the specific declaration of the legislative purpose with respect to reconcentration of cotton, the authorities in charge of the matter continued their practice of reconcentration, in the face of the express will of both Houses of Congress as contained in the legislation which finally failed of passage because of failure to adopt the conference report in the midst of a filibuster.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes; I take pleasure in yielding to the gentleman.

Mr. RICH. What is the object of Congress trying to tell the farmer how much cotton he can grow, what price he is going to get for his cotton, where he is going to store the cotton, who is going to be responsible for storing it? Does not the gentleman think the farmers of this country who raise the cotton ought to have something to say about what is going to happen to their product, instead of Congress trying to regulate everything, even to the movement of a bale of cotton and what happens to it?

Mr. STEAGALL. If the gentleman would like to have the answer, I would gladly give it to him. We are fighting now to preserve to the farmers of the cotton-growing sections the right to have a little say about where their cotton shall be stored until it is finally classed and ready for final disposition.

Mr. RICH. Well, it seems that with all the regulation we are going into now, as far as the Government is concerned, that we are going away beyond the pale of common sense and good business, and we are never going to help the cotton farmer the way we are trying to regulate not only the farmer himself but everything the farmer does.

Mr. STEAGALL. If the gentleman will follow his philosophy when he votes on this bill he will vote for it as reported by the Banking and Currency Committee of the House, because it is not our purpose in dealing with this matter to legislate further about where cotton shall be stored or where it shall be reconcentrated. What we are fighting for is to leave that matter where it has been settled by repeated acts of the legislative branch of the Government.

Now, let me answer the gentleman from Michigan [Mr. CRAWFORD], my friend, for whom I have an affectionate regard. The gentleman has a brilliant mind, but let us not allow him to get too keen for us on this bill. The gentleman says he wants to deal only with cotton that is owned by the Government. I call attention to the fact that under the contracts entered into between the farmers and the Commodity Credit Corporation, the day loans become delinquent the Commodity Credit Corporation has the power to declare them in default, and automatically vest title in the Government. It would be possible, if the gentleman's amendment were adopted, for the Commodity Credit Corporation to declare all of these loans in default except the 1938 cotton that we have on hand, and automatically vest title in the Government, and in that way they would be able to move some seven or eight million bales of this cotton to port warehouses for reconcentration. I do not charge that this would be done, but it could be done.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Let me proceed a little further. You will have more time when the bill is reached for amendment.

That is the situation. They have the power to declare the ownership of the cotton in the Government when they get ready. The gentleman offered an amendment in the committee which restricted its application to cotton to be delivered under the provisions of this bill. But the amendment which the gentleman read to the Rules Committee, and which I apprehend he will offer here, would fully nullify existing law in every requirement and permit the Commodity Credit Corporation to reconcentrate all of this cotton, to which they could acquire title automatically by declaring the loan in default and reconcentrate it in port warehouses.

Mr. CRAWFORD. Did I understand the gentleman to say that I offered an amendment which applied only to the 600,000 bales covered by the agreement?

Mr. STEAGALL. Yes.

Mr. CRAWFORD. I beg the gentleman's pardon. I did not offer any such amendment.

Mr. STEAGALL. I think the gentleman is mistaken. If the gentleman will remember, upon reading his amendment at first I questioned that its application would be limited to cotton to be delivered under this bill, but upon rereading I agreed that it referred to cotton to be delivered under this act. I then agreed that it applied only to cotton under this proposal and I so stated to the committee. But the amendment the gentleman read in the Rules Committee left out the language "this act," so that if the gentleman offers that amendment here it will apply to all cotton in all warehouses upon which the Government has loans and then the Corporation can automatically foreclose and acquire title and reconcentrate. That is unquestionably true.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. BROWN. I think the gentleman from Alabama is mistaken. The gentleman so understood it and stated it, but the amendment which the gentleman from Michigan offered before the committee is the same amendment he is offering today.

Mr. STEAGALL. I am in error, if the gentleman is correct. It is a matter of recollection. If the gentleman from Georgia has the same recollection as the gentleman from Michigan. I will not insist upon my recollection as against both of my friends, but my understanding of the gentleman's amendment was as I have stated and in its consideration we did give it that interpretation.

Mr. CRAWFORD. I accept the Chairman's statement in correcting his previous statement and I was just going to let the amendment speak for itself, because it is the exact amendment I offered in the committee.

Mr. STEAGALL. Pardon me, the gentleman means he has the exact amendment he offered in the committee?

Mr. CRAWFORD. The exact amendment, a copy of which I offered in the committee; and in no way do I want my amendment to apply to cotton owned or held by any other than the Government of the United States or its agencies, now or at any other time. I am dealing strictly with cotton the ownership of which is held by the Government.

Mr. STEAGALL. That is what I understood. Under that provision the Government can automatically acquire title to all the 11,000,000 bales of cotton tomorrow, except loans on 1938 cotton, because the loans are past due and under the gentleman's amendment it could be reconcentrated in port warehouses, and I expect that that is what the gentleman favors.

We should not go back to revise the law and set aside the former enactments of Congress in order to pass a bill for the delivery of cotton under this barter agreement.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I have more points I want to cover. I cannot yield now, if my friend will pardon me.

Mr. Chairman, when this matter was first brought to our attention we were confronted with the argument that Great Britain would send representatives to select this cotton and participate in its classification, and that if we required this cotton to be classed and selected from interior warehouses they would have to go to the warehouses in the interior section of the country and examine every individual bale of cotton.

I do not understand that that argument has been submitted here so far, but if it is I want to answer it now. That is contrary to the universal practice in the marketing of cotton that has obtained throughout the lifetime of every man within the sound of my voice. Cotton is always sold by samples. This is the provision of the treaty dealing specifically with the manner in which transactions are to be conducted. Not only is that true, but I read subsection (c) of article I of the treaty itself. Listen to this:

Samples representing the cotton of the grades and staple specified by the Government of the United States will be made available for inspection and acceptance during a period of 6 months beginning 15 days after the entering into of this agreement, and such inspection shall be made within a reasonable time after the cotton is so available.

The Corporation has 6 months within which to deliver this cotton. Let me say to anybody who does not know how cotton is marketed in rural communities that farmers in Georgia or Alabama do not come to town with cotton on wagons and drive up to a buyer to show the cotton in bales.

They take samples from either side of the bales of cotton. The samples are taken through the towns to the different buyers, and the cotton is sold on such samples. There are criminal provisions in the statutes of the various cotton-growing States making it a crime for a farmer to exhibit a sample that is not genuine; and, of course, in the export of cotton it is sold on the basis of certain classifications and staples. The cotton is handled on that basis, and if it does not come up to the grades or the staples or the weights, reclamations are made upon the shipper and the matter is adjusted. All this is carried on under the customs of the trade.

Let me say further that Great Britain stipulates in this agreement to keep this cotton in storage for 7 years unless it is needed for war purposes. If it is not needed for war purposes, of course, they are not going to burn it in order that more cotton may be sold from the cotton-growing sections of the world; so when Great Britain takes this cotton she is going to take cotton that is marketable under the customs of trade with the spinners of Great Britain. That means that when they come here to get this cotton they are not going to take 600,000 bales of cotton of one grade, or classification, or

staple. They have intimated, so I am told, that they want cotton that measures up to seven-eighths staple and Middling grade. As those know who are familiar with the handling of cotton, there are many grades. They are not going to say they want all above a certain grade. They have many grades from which to select if they do not go below seven-eighths staple and Middling cotton. So there is no likelihood that Great Britain will come here demanding 600,000 bales of cotton of one staple and one grade; and I do not believe that any sane man expects that to be done. Unless this cotton that she takes is actually used for war purposes, it will be turned back into the markets of the world, just as has been done for 100 years by the people of this country. This being the case there is not any reason for the view that we have got to take four or five bales of cotton in order to get one bale of a specified grade, and then take four or five more bales to get another bale of that same classification and staple. Not a man here believes that in order to get 600,000 bales of cotton it will be necessary to move 2,500,000 bales. That is not the case. There is not a man here who understands anything about the cotton business who does not know that what I am stating is the truth. It is not going to happen, that is not the way the cotton trade of the world is carried on.

They have in the port warehouses 1,250,000 bales of cotton, in round numbers. From that cotton the officers of the Commodity Credit Corporation tell us they can get something like 250,000 to 300,000 bales. Later on I think they said they could get 100,000 bales, but they stated to me that if they went to the interior to get cotton to replenish the supply out of which to get the proportion necessary to make up the 600,000 bales they would move cotton from the interior to the port warehouses. To fill the other 500,000 bales called for under the treaty they would move from the interior to the port warehouses 1,500,000 bales. This would mean that after the 500,000 bales were reconcentrated to fill the contract the other 1,000,000 bales would have to be stored in the port warehouses. This is not necessary. It is all foolishness to talk about that. They simply will not have to do it.

Mr. Chairman, there is not the slightest danger that the Corporation will be unable to deliver the cotton necessary to fill this contract. Nobody need be alarmed about that. We Members who have these matters to deal with understand these things. The officials want unlimited discretion, but we do not have to give it to them when it is not needed.

Mr. Chairman, do not be misled by the argument that this is nothing but a quarrel between warehouses. I am pleading for the right of the farmers who grow the cotton not to be entirely ignored and forgotten in this legislation. Unless they want the cotton moved and so long as they have at least nominal title to it, they should have the right to say where it shall be stored and have an opportunity to take part in its inspection and classification. They are the people who were considered by those who enacted this legislation, so that this cotton cannot be concentrated at the maritime ports of the country without the consent of the farmers.

I want to discuss one other point in answer to the gentleman from Michigan. The gentleman talks about the cost of the storage of this cotton, and I call his attention to the present law. This goes to the heart of the whole proposition. It provides for the written consent of the farmer, and so forth, and then has the following proviso:

Provided, That in cases where there is congestion and lack of storage facilities, and the local warehouse certifies such fact and requests the Commodity Credit Corporation to move the cotton for reconcentration to some other point—

Now, do not be misled; this is one provision, but here are others—

or when the Commodity Credit Corporation determines such loan cotton is improperly warehoused and subject to damage, or if uninsured, or if any of the terms of the loan agreement are violated, or if carrying charges are substantially in excess of the average of carrying charges available elsewhere, and the local warehouse, after notice, declines to reduce such charges, such written consent as provided in this amendment need not be obtained.

I want to ask the gentleman from Michigan who is to blame if cotton is being stored under this law at charges substantially higher than those that can be obtained elsewhere? It is purely a matter of administration under the law. If the Commodity Credit Corporation can find a warehouse properly equipped to store the cotton and insure it that will carry a substantially reduced rate, it is the duty of the Corporation, and economic management requires under existing law, that it reconcentrate the cotton in warehouses that offer the reduced charges, unless the original warehouseman will reduce his charge to meet the competitive rate. So, if the gentleman is so insistent upon vesting unrestricted authority in the Commodity Credit Corporation, a power that would permit them to set aside the solemn act of Congress in dealing with this matter of reconcentration, I call his attention to the fact they have the power under existing law to reconcentrate this cotton in order to meet a competitive charge.

Mr. DARDEN. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Virginia.

Mr. DARDEN. The thing that troubles me about this amendment is this: If cotton is once moved, does it not become ineligible under the terms of this act for delivery to Great Britain? I mean if it moves from one point to another?

Mr. STEAGALL. I get the gentleman's point. Here is what we have undertaken to do under the bill. They said they were going to deliver 250,000 or 300,000 bales of cotton from the ports. In undertaking to deal with the matter and to prevent nullification of existing law—and that is all we had in mind—we have provided that they should not use in delivery any cotton that is not graded at the warehouse in which it is stored at the time of the passage of this act. That means that in order to get the additional cotton needed to supplement what they have at the ports, they may go to the interior warehouses, but they cannot remove cotton from there to the port warehouses to be selected for delivery, but must grade, sample, and select it in the interior warehouses. Some of this cotton is stored in warehouses that are bonded. They are bonded not only for the delivery of the cotton but they are bonded to guarantee the weight, the staple, and the grades, and the warehouses are not going to risk liability on their bonds by overvaluing, overgrading, or overstapling the cotton that they certify under their bonds for Government loans.

Mr. Chairman, I reserve the balance of my time.

Mr. WOLCOTT. Mr. Chairman, I yield 7 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I suppose contemporary history ought to be studied much as one solves a jigsaw puzzle. You take a part here and you take a part there and put them all together and ultimately it makes a design. I want to do that briefly with reference to this whole matter of barter agreements rather than deal with the mechanics of the pending bill.

It is only normal, of course, when we have a surplus supply of lard, cotton, wheat, grain, and other agricultural commodities, that there is a great urge to find a market for them, and, as a result, the country has been giving some attention to the barter agreements. But what interests me about the whole barter system, as we are seeking to apply it, is the genesis of the deal.

In April 1939 you will remember that the mythical White House spokesmen denounced all forms of barter agreements. That is only 4 months ago. At the same time the Secretary of State denounced the German system of barter as destructive of all forms of foreign trade. Then on April 10 came the announcement from Senator BYRNES of a proposed barter agreement, whereby we would swap cotton for English rubber and, oddly enough, the President of the United States, the Secretary of Agriculture, and the Secretary of State fell in with the idea, despite the denunciations we had had only a few days before. The barter arrangement was consummated by a treaty which has been confirmed by the Senate and the pending bill merely provides the authority for carrying out the details of the agreement.

An interesting thing about this barter agreement is section 4. It recites the following:

The intention of the Government of the United States and the Government of the United Kingdom being to acquire reserves of cotton and rubber respectively against the contingency of a major war emergency, each Government undertakes not to dispose of its stock (otherwise than for purposes of replacing such stocks by equivalent quantities insofar as may be expedient for preventing deterioration) except in the event of such an emergency.

That can be modified only by consultation, and in no event can it be changed for 7 years.

I remember the announcement of this so-called barter deal in April. People heralded the idea everywhere. They thought it was going to have a great impact upon the farm economy of the country. I wonder if anyone can demonstrate what value there is in this kind of a barter agreement, when you take rubber out of an English warehouse and put it in a warehouse over here and take cotton out of a warehouse here and put it in a warehouse over there. You have not in any way diminished the visible supply. The overhang and the depressant effect of the overhang is still there. If the producers of and dealers in cotton still believe there is going to be great virtue and agricultural benefit in this barter deal, let me quote from a trade brochure dated July 21, 1939, and issued by Laird, Bissell & Meeds, cotton brokers, of New York:

Among the recent developments has been the closing of the barter arrangement with the British Government calling for the interchange of 600,000 bales of cotton for rubber. It probably will require the passage of the Byrnes measure to make the cotton available, and, while there has been some opposition to this, administration circles are confident of its adoption. In view of the fact that the agreement commits both Governments to withhold the release of these commodities for 7 years, the trade in analyzing the effect of the barter arrangement, has discarded this as an important price influence.

The cotton trade has therefore discarded the effect of this barter arrangement as a price influence because the agreement prevents the liquidation of these stocks for at least 7 years unless a major war contingency should intervene. A barter arrangement whereby there might be liquidation and consumption of the commodities which are exchanged might, and probably would, have a salutary price effect. Such, however, is not the case with respect to this agreement.

In April of this year the President and the Secretary of State, after first denouncing the barter system, shortly thereafter gave assent and approval to a limited barter system with countries which were not affiliated with the so-called totalitarian powers nor with the totalitarian or axis countries. This means, of course, that no barter agreements would be negotiated with Italy and Germany. That is most interesting and significant. It is interesting because a group of Members of this House from the South, the West, and the North have been meeting together to determine on some plan that might aid the distressed farmers of the Nation and find a market or outlet for our vast surplus of farm commodities.

In that connection may I say that only on Saturday night of last week a group of Members met at the Raleigh Hotel in the interest of the farm problem and falling prices and adopted a resolution. This is the language of the resolution, which memorializes the Secretary of State:

That the Secretary of State and the Secretary of the Treasury be requested to permit the exchange of surplus agricultural commodities for German goods now on the free list without the imposition of a penalty.

How far would that proposal get in the light of what the President said—that he was in favor of a barter agreement so long as it did not take place between this country and a totalitarian country or one affiliated with the axis countries?

Here were a score of Members of Congress sitting in solemn conclave on Saturday night of last week at the Raleigh Hotel, hoping fervently that we might divorce this whole problem of barter from diplomacy, from statecraft, and all the other things in which it is enshrouded, and find trade and business anywhere it might be found. With vast supplies of corn and pork coming on to be added to the already burdensome supply and low prices, our farmers are more interested in markets than they are in hating people. It is a rather ex-

pensive kind of hate when it is realized that these countries could use two hundred or three hundred million pounds of our fats and oils and that they do not now purchase any of these from this country.

What did the Secretary of State say about it? On the 27th of July the New York Journal of Commerce indicates him as taking the stand that one of the suggestions of export sales to Germany has been definitely rejected. If barter is good for one country, it is good for another. I do not care where they find markets. If an axis country is willing to take 100,000,000 pounds of lard, which is quoted on the Chicago market today at 5½ cents, the lowest in 70 years, then neither the President nor the Secretary of State should adopt such an unneutral attitude as was expressed in the April statement by the mythical White House spokesman that they are willing to barter with other countries for the disposal of our surplus commodities from this country, but they must be selected countries, and the barter must be done on a basis that prevents the use and consumption of these surplus farm commodities. For the moment, markets are the important thing, and if other nations will not relent in their trade practices, then we must meet their competition with whatever weapons are at our command. In this connection, let me insert the article which appeared in the New York Journal of Commerce this morning, because it is most apropos and significant:

[From the New York Journal of Commerce of July 27, 1939]

PROGRAM IS SOUGHT TO REMOVE SURPLUS OIL AND FAT STOCKS—CONGRESS BLOC SEEKS AID FROM BUREAUS—REICH BARTER DEAL BARRED

WASHINGTON, July 26.—With tremendous surpluses of domestic oils and fats building up in the United States, the Washington Government was today seen faced with a most serious situation necessitating some sort of Federal aid to the producers in the finding of additional markets, as legislators explored various approaches with officials of the Departments of Agriculture, State, and Treasury.

Several conferences were held at the Department of Agriculture and the Capitol, and tomorrow Secretary Wallace will take up with his experts the various plans that have been outlined as providing means for dealing with the situation. They also will report back to the congressional oils-and-fats bloc tomorrow afternoon.

One of the suggestions—that of export sales to Germany—was definitely rejected by the administration today. State Department officials turned thumbs down on any barter deal with the Reich, despite the fact that it was declared to them that this was perhaps the only way by which that Government could take the additional large quantities of these products.

HULL SILENT ON PROPOSALS

Members of the bloc admitted that prospects for the expansion of export trade were not very bright, following the conferences, but they did feel that there might be some increase in lard shipments to Cuba and the United Kingdom this year.

Secretary of State Hull, at his press conference this noon, while avoiding comment upon the propositions presented to Secretary Wallace, gave newspaper correspondents the impression that he considered export subsidies justifiable in emergencies, while pointing out that so long as there is political unrest in Europe, situations now complained of will continue.

The attention of officials was called to early afternoon reports that Secretary Hull was opposed to emergency use of subsidies to influence our exports. It was declared that there was nothing in the brief, although rather confusing statements of the State Department head, that would justify such an interpretation.

He explained that he had only then heard of the meeting of the congressional delegation with Mr. Wallace, adding that he preferred to await the presentation to him of such plans as the legislators may have in mind before expressing himself publicly. In passing he declared that "we will continue for an indefinite time to have serious repercussions, especially from Europe, on our domestic situations."

USES FUNDS FOR ARMS

He reiterated that Europe is using all the money that can be acquired for the purpose of increasing armaments and for further preparations for war, all of which, he commented, constitutes an unproductive process and keeps business in suspension in Europe and in this country. It dries up the purchasing power of Europe for necessary subsistence commodities such as oils and fats.

It was apparent that he considered that no matter what is done, even to meet a temporary situation, the disruptions to our trade and the ill effect upon our price structure and consequently upon our whole domestic economy, will continue until such time as Europe reaches a more normal condition where it can once more absorb our exports.

Commenting on the conference he held this morning with close to 40 Congressmen from Southern States, Secretary Wallace said that he had no idea at this time what will be done in an effort to

relieve the situation because of its magnitude. He said that while the group that called were interested in the price of cottonseed oil, they felt that the solution to the problem would come in a large degree through removal of lard stocks.

The Secretary explained that indications pointed to a surplus of edible oils and fats in the United States this year of about 500,000,000 pounds. He added that it would take several removal plans to take care of these large stocks, and stated that a program would not necessarily concentrate on lard alone.

Suggestions broached to the department, Mr. Wallace said, included export subsidy for lard, surplus purchases through the Federal Surplus Commodities Corporation, placing the product on the surplus list for purchases under the stamp plan and barter agreements with Germany and any other countries.

FUTURES ADVANCE

Both lard and cottonseed oil futures have advanced sharply within the past 2 days on rumors that the Government intends to purchase large quantities of lard and cotton oil for relief purposes, grant a subsidy to encourage exports to Germany and other European countries, and possibly store quantities of cottonseed and the oil.

Prices on cotton oil rocketed 21 to 29 points shortly after the opening yesterday on short covering for domestic and foreign account. A large proportion of the gains were maintained until the end of the session. The majority of traders appeared to be awaiting developments in Washington before making commitments in either direction.

Lard futures were also firm and advanced 22 to 25 points during the early part of the session on active covering prompted by the news from Washington. Closing prices were 22 points higher on the active deliveries.

It is not so long ago that we had a reorganization bill on the floor. Do you remember when we had the reorganization bill here, and we transferred the Bureau of Foreign Commerce from the Department of Commerce to the State Department? I stated at that time that I did not like to see it go into the State Department, because international trade and international barter will very definitely be hooked up with considerations of diplomacy. Here we have it now in the form of a barter agreement made in the face of a possible military contingency, not to be changed in any respect until there has been mutual consultation, and then not for a space of at least 7 years.

Finally it is provided in the barter agreement that if there should be anything that is in the nature of an export subsidy on cotton before the delivery under this agreement has been completed, we have to give to Great Britain the proportionate share that would be represented by the export subsidy. Examine that barter agreement and see whether it does the same thing for us with respect to rubber. You will not find it there. As a result, I am not so sure that we are going to find the full measure of benefit in a barter system unless we receive a complete measure of reciprocal treatment and find markets wherever we can, ranging through the world, for every commodity that may be regarded as surplus.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from California.

Mr. THOMAS F. FORD. Is the gentleman in favor of giving the Nazi government the advantage of an agreement such as this?

Mr. DIRKSEN. I am in favor of finding a market for 500,000,000 pounds of oils and fats that are surplus in this country today. I do not care where we find it. [Applause.]

If we are to venture into the field of barter, let us divorce it from all considerations of diplomacy and attack the matter in a manner that does credit to the commercial shrewdness of this Nation. A little less hating and a little more bargaining may go far toward repairing the ruinous prices which now stare our farmers in the face on their surplus products. I am sure that such is the sentiment of a large number of members of this House from half the States of the Union, who are greatly disturbed by tobogganing prices, diminishing exports, curtailed markets, and new crops in the making.

We are not at war with these countries. We have a surplus. They have a shortage. Shall we permit our disapprobation of the things they have done stand in the way of an exchange of commodities which might be mutually advantageous and expand the export market for our vast surplus?

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I have lengthy correspondence in my office, extending over several years, in an attempt to get for New England a little share of this cotton for storage. It has been shown today by previous speakers how shrewdly the people of the South have monopolized this storage. It is a strange thing, indeed, that where the cotton is to be actually consumed, where small amounts at a time are desirable to be of immediate availability, they have been unable to get a proper share of storage.

This bill is more important than appears on the surface. The Commodity Credit Corporation owns no cotton. It holds only the notes of the farmers and must take possession, although, as the chairman says, quite "automatically." I suppose there must be a little something done before seizure can be made, but they have lived under this pretense for a long time, holding the notes at par value, representing them to the country as assets in the full amount. Now, they say in their explanation that they will probably take over the 1934 cotton, the notes for which were at first renewed, but lately have been carried as overdue. They would take possession of that particular cotton and attempt the proposed exchange. Will the losses then be ascertained?

The point I wish to make is the proponents of this bill wish to take from the maritime ports what they have already in storage, and make doubly sure that none is taken from the interior to replace the amount so taken.

They may be very much mistaken. In view of the demands of the British people for the kind of cotton they will desire, we hardly think they will find half as much or one-third as much in the maritime ports as may be required. Can we not urge upon you southern people some little consideration for New England in these matters? We are drawing further and further apart in trying, apparently, to rob one section of the country for the benefit of the other.

Startling truths have appeared in the last few days in the papers of this country because of the speech made by the gentleman from Massachusetts [Mr. BATES]. It is having its reverberations. While much of that story has often been told before, today the country was greatly informed by that speech and is awakening to what is being done to our part of the country to the great advantage of so many so-called backward States unable or unwilling to bear their proper share of public expense.

I plead for a decent regard for New England in the matter of this storage racket and ask that attention be paid to the amendments that will be offered by Mr. MARTIN of Massachusetts providing that those places where cotton is consumed have a reasonable amount of storage granted to them.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. CRAWFORD. Does the gentleman understand that in view of this barter agreement and its effectuation the Commodity Credit Corporation is now forced to take over title to approximately 6,346,000 bales of cotton?

Mr. GIFFORD. I do not; but, of course, they tell us they will go back to the first loans made and try to get rid of that particular cotton. Under this language, I want to say to the gentleman from Michigan, they "can procure, convey, transport, handle," and I do not know but that under this bill they may pay the cotton farmers a price that will take care of not only what they owe but even pay them a higher price and also assume all the expenses hereinbefore incurred. There seems to be a blanket authority here. The Commodity Credit Corporation does not yet own cotton, and you do not say that they must foreclose in order to get it. They may recover or they may purchase of the farmer at such prices as they may determine.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS of Texas. Mr. Chairman, I am not unmindful of the feeling that exists here on the floor of the House toward port warehouses. I think that feeling is based upon a misapprehension and upon misinformation. I think it is generally believed that, perhaps, the port warehouses

have more or less received an unfair advantage in receiving more than their share of this loan cotton.

Mr. Chairman, that is not true. They have not received their fair share. Let me give you some figures: In the 1934-35 crop, for every bale that the port warehouses received, the interior warehouses, I want to say to my distinguished and genial friend from Georgia [Mr. BROWN], received two bales; and in the 1937-38 crop, for every bale that the port warehouses received, the interior warehouses received seven.

Mr. BROWN of Georgia. And is it not true that there are 25 times more interior warehouses than there are port warehouses? We have only a few port houses owned by big corporations.

Mr. THOMAS of Texas. Now, in a spirit of candor and frankness, without criticizing anybody, just let me give you the facts.

Commodity Credit Corporation—Statement showing 1934-35 and 1937-38 loan cotton stored at port and interior locations for each State

	1934-35		Total, 1934-35	1937-38		Total, 1937-38	Total, 1934-35 and 1937-38
	Port	Interior		Port	Interior		
Alabama.....	22,046	199,276	221,322	4,421	777,976	782,397	1,003,719
Arizona.....					56,292	56,292	56,292
Arkansas.....		121,483	121,483		548,390	548,390	669,873
California.....	5,377		5,377	100,480	38,006	138,486	143,863
Florida.....	2,942	49	2,991	176	1	177	3,168
Georgia.....	111,525	250,396	361,921	10,649	431,462	442,111	804,032
Illinois.....	0	1,147	1,147	0	21	21	1,168
Louisiana.....	122,710	17,603	140,313	66,652	232,780	299,432	439,745
Mississippi.....	26,665	36,477	63,142	10,784	583,415	594,199	657,341
Missouri.....	0	0	0	0	76,585	76,585	76,585
New Mexico.....	0	0	0	0	36,687	36,687	36,687
North Carolina.....	5,527	95,924	101,451	2,302	117,292	119,594	221,045
Oklahoma.....	0	54,839	54,839	0	75,900	75,900	130,739
South Carolina.....	11,181	92,788	103,969	13,282	240,892	254,174	358,143
Tennessee.....	0	190,693	190,693	0	295,126	295,126	485,819
Texas.....	201,728	74,664	276,392	485,812	1,055,210	1,531,022	1,827,414
Virginia.....	16,466	1,204	17,670	4,641	5,097	9,708	27,378
Total.....	526,167	1,136,543	1,662,710	699,199	4,581,102	5,280,301	6,943,011

Port:		
1934-35.....	526,167	
1937-38.....	699,199	
		1,225,366
Interior:		
1934-35.....	1,136,543	
1937-38.....	4,581,102	
		5,717,645
		6,943,011

I do not like to disagree with my good friend from Alabama [Mr. STEAGALL], the chairman of the great Committee on Banking and Currency, but in my humble judgment the farmer has nothing to do with this. He is not interested in this matter as a practical matter. He has already lost title to it, and he is not going to redeem it; and to be perfectly frank about it, this is a fight between two strong groups, both subsidized right now by the Government. They are being subsidized at the expense of the farmer. Those two groups are the port warehouses and the interior warehouses. The cotton compressing and storage business is controlled throughout all of the Cotton States by a small handful of men.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. Not at this time. Let me give you the picture that existed on this compressing and storage business in Texas prior to the time when the A. A. A. was heard of. In Texas, in the port towns of Houston, Galveston, Beaumont, Corpus Christi, and Brownsville, there had been built with private capital not subsidized by the Government warehouses that handled 75 percent of all of the cotton produced in Texas, because it was the cheapest way to handle it. Competitive business dictated it. The interior warehouses handled about 80 percent of compressing, not the storage, because they could compress it more cheaply in the interior; but when it was compressed it came on down for storage to the port towns, about 75 or 80 percent of it. That was under normal competitive conditions before the Government started subsidizing either group; but now since the

Government is subsidizing warehouses, what is the picture? Instead of the port towns getting 75 or 80 percent of the storage they are getting only 20 or 25 percent of it, and the interior is getting 75 or 80 percent of it. All I want to do is to see it become even.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. STEAGALL. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. THOMAS F. FORD].

Mr. THOMAS F. FORD. Mr. Chairman, this seems to have simmered down to a battle between warehousemen, but what this House is interested in is the shipping to Europe 600,000 bales of cotton to relieve the present surplus. I hold no brief for either the interior or the port warehousemen, and when the matter came to our committee we undertook to place an amendment on the bill that would equalize the situation between the two of them. Under this bill 300,000 bales of cotton will be taken from the port warehouses and 300,000 bales of cotton from the interior warehouses. It is a 50-50 proposition, and I hope gentlemen will pass the bill and give us this perfectly fair measure to the cotton growers of the United States. We do not give a darn about the warehousemen but we are interested in the fellow that raises the cotton and is trying to sell it.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I am in favor of this bill and hope that it will pass without a great deal of opposition. I rose to make a few observations on how the cotton farmers can get rid of the other 11,500,000 bales, and also how the hog farmers and the other farmers growing surplus commodities may also get rid of their surpluses.

Six hundred thousand bales of cotton is just a drop in the bucket. We have around 12,000,000 bales of cotton under Government loans. By January 1 of next year I predict that if we have not disposed of some of our cotton in the export market, we will have at least 15,000,000 bales under loans. It costs the Government better than \$45,000,000 a year to carry that cotton. What we representing the agricultural sections of the country are interested in, is to secure a price level that will restore the purchasing power to the farmers of the country. We cannot do that for either cotton or any other farm commodity if we have large visible supplies in this country overhanging the market and depressing domestic price levels.

Do you know that if we had passed an amendment which I offered to the monetary bill in April, we could have gotten rid of every bale of cotton at the market price, without any additional cost to the Government?

For the past 4 years the New Deal has fixed and maintained the world price on gold at \$35 an ounce, as against the old historic price of \$20.67 an ounce. The higher price fixed by the President has only been paid to foreign gold speculators and for newly-mined gold in this country. The result has been an accumulation by the United States Treasury of sixteen and a quarter billions of dollars worth of gold, nearly all of which is buried in the ground down in good old Kentucky. Of this large amount of gold, nearly 70 percent of the world's supply, more than \$9,000,000,000 represents foreign gold purchases for which the Treasury has paid a premium of nearly \$4,000,000,000—an outright gift to foreign gold speculators in 4 years' time.

Since the first of May our Federal Treasury, under orders of the President, has purchased \$1,200,000,000 worth of foreign gold. We have paid foreigners a premium of \$480,000,000 for that gold. All of that premium, all of that money has gone to foreign gold speculators and international bankers. The amendment that I sought to have adopted as a part of the devaluation bill was to earmark the subsidy and compel these foreign speculators to use that subsidy of \$14.33 an ounce to purchase manufactured and farm commodities produced in this country. If the foreign speculators did not use the gold subsidy for the purchase of American farm and manufactured products, they would only receive

the old price of \$20.67 and no subsidy. Four hundred and eighty million dollars in 4 months' time would have taken 80 percent of the cotton that we now have under Government loans, and we would have gotten rid of virtually all of it and raised the price of cotton for southern farmers.

The administration opposed my amendment because it was contrary to the good-neighbor policy of the United States, which policy consists in giving away our American market to foreign producers, and which further consists in playing Santa Claus to the people of other countries of the world and neglecting American farmers, laborers, and other producers in the United States.

It is about time we woke up and protected our American market for our own people. The condition for cotton, the condition for the rest of agriculture is lamentable. It will be worse tomorrow than it is today, because as long as we pursue a policy of giving advantage to foreign producers, foreign speculators, and international bankers, and are not taking care of our own people, we will find that the day of reckoning will bring the American producer down to the lowest standard in the history of this country.

I favor this particular bill because it helps remove a small portion of our domestic surplus, but it is only a drop in the bucket. However, we should discontinue to play Santa Claus to the rest of the world and pass legislation which will benefit American producers, instead of continuing a program for the sole benefit of foreign speculators and international bankers. [Applause.]

Mr. WOLCOTT. Mr. Chairman, I yield the balance of my time to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, the gentleman from Georgia [Mr. Brown] took the position that the amendment which I propose to offer is not germane to this bill. It is germane for this reason: Prior to the effectuation of the barter agreement 6,943,000 bales of cotton, we must assume, were in the name of the cotton grower. Ipso facto and ipso jure the cotton becomes owned by the United States Government, and at that point the savings to the taxpayers of this country, through Government operation, becomes germane, whether agreed to by the gentleman from Georgia or the gentleman from California. Here is a shift in ownership of this cotton which is tied into the barter agreement.

Mr. Goodloe, vice president of the Commodity Credit Corporation, advises me under date of July 26 that the title to all of this cotton, 6,943,000 bales, is being taken by the Government. Therefore, as our friends have stated that only 600,000 bales are in controversy, that is not according to the facts set forth in Mr. Goodloe's letter.

Mr. Goodloe further says—and I call the Committee's attention to this interesting statement, because this statement which I am about to read runs contrary to the statement which is included in the report of the Committee on Banking and Currency on this bill.

Mr. Goodloe says:

The British Government has informally indicated it will desire cotton grading middling seven-eighths inch or better, it is probable that not more than 100,000 to 150,000 bales of the 1934-35 loan cotton can be used.

Therefore you have to go into the 1937-38 cotton, and that is conclusive evidence from the Commodity Credit Corporation that you cannot find 300,000 or 350,000 bales of cotton in port warehouses which will meet requirements of the British Government.

Furthermore, the Commodity Credit Corporation says:

The estimate of 250,000 to 350,000 bales of cotton now stored at ports which would probably meet British specifications is reasonably accurate, considering all ports. However, the California and Atlantic ports should be eliminated because of higher freight rates from California and the proximity of Atlantic ports to domestic mills.

The warehouses located in California will be protected by the terms of the agreement, and of course the gentleman from California is quite satisfied to have the situation remain so that those will be protected.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. But let me go back to this—

Mr. THOMAS F. FORD. The gentleman has mentioned my name. Will the gentleman yield? If you are an honest man, you will yield.

Mr. CRAWFORD. May I inquire if the gentleman said if I was an honest man I would yield?

Mr. THOMAS F. FORD. Yes.

Mr. CRAWFORD. Mr. Chairman, I resent that statement. I emphatically insist that he had no right to make such a statement.

Mr. THOMAS F. FORD. Then why do you not yield?

Mr. CRAWFORD. Mr. Chairman, I decline to yield. I insist that I be protected from the gentleman's interference.

The CHAIRMAN. The gentleman from Michigan will proceed.

Mr. CRAWFORD. The chairman of the committee has pointed out that the language of the law of June 16, 1938, reads:

Or if carrying charges are substantially in excess of the average for carrying charges available elsewhere, and the local warehouse, after notice, declines to reduce such charges.

Now, may I ask, Mr. Chairman, suppose you were operating a warehouse and the Commodity Credit Corporation steps up to you and says: "Mr. Warehouseman, your rates are too high;" and you would say in all truthfulness: "My rates are not substantially higher than the rates charged by other warehouses," and I submit the schedule showing the uniformity of rates of cotton warehouses over the United States. Here are the schedules. The rates are substantially uniform throughout. I take the position that the Commodity Credit Corporation, under existing law, cannot protect the taxpayers of this country on the storage of 6,900,000 bales of cotton, the title to which the Government has now taken. If we want our bureaus to be honest and protect the taxpayers, our citizens, then why do we not give them a law under which they can operate and thus give us that protection? If we want the warehouses protected, that is a different proposition, and here I am pleading for the savings of \$12,000,000 or \$15,000,000 per annum on storage of cotton owned by the Government, and I make no reference to cotton owned by the farmer. If it is to remain in storage 5 years, that means a possible savings of say \$75,000,000, or if it is to remain in storage 10 years, it means, say, \$150,000,000. Who on this floor will say this cotton is going to be disposed of within the next 3 years, or the next 5 years? You know as well as I do that cotton stocks will increase instead of decrease. You know that unless we check warehouse charges, storage rates will go up instead of down; and the schedules showing these contractual obligations on the part of the Commodity Credit Corporation in which schedules are set forth warehouse rates charged, substantiate the statement I have just made. Private industry, of course, will run up the price on the Government unless we check them. Do you mean to say that the Commodity Credit Corporation has not carried out the instructions of Congress? If so, Mr. Chairman, we had better look into that situation. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That, notwithstanding any other provision of law, whenever the President, by and with the advice and consent of the Senate, has concluded a treaty involving the exchange of surplus agricultural commodities produced in the United States which are held under loans made or made available by the Commodity Credit Corporation for stocks of strategic and critical materials produced abroad, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed by the Secretary of Agriculture, to accept such strategic and critical materials in exchange for such surplus agricultural commodities; and for the purpose of such exchange the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior, acting jointly through the agency of the Army and Navy Munitions Board, shall determine which materials are strategic and critical and the quantity and quality of such materials. In order to carry out the provisions of this act the Commodity Credit Corporation is authorized, upon terms and conditions prescribed by the Secretary of Agriculture, to procure, convey, transport, handle, store, maintain, or rotate such surplus agricultural commodities, and such reserve stocks of strategic and critical materials, as may be necessary to accomplish the purposes of this act.

Such reserve stocks of strategic and critical materials shall be stored on military or naval reservations or in other locations approved by the Secretary of War and the Secretary of the Navy. The Commodity Credit Corporation is authorized to transfer such reserve stocks of strategic and critical materials, upon such terms and conditions as the Secretary of Agriculture shall approve, to any other governmental agency. Such reserve stocks of strategic and critical materials shall be made available or disposed of by the Commodity Credit Corporation or other governmental agency only upon order of the President in accordance with the terms of the applicable treaty; when necessary to prevent deterioration, the Commodity Credit Corporation or other governmental agency is authorized to replace those quantities of the reserve stocks of such strategic and critical materials subject to deterioration with equivalent quantities of the same materials. The funds now or hereafter made available to the Commodity Credit Corporation are hereby made available to carry out the purposes of this act. There is hereby authorized to be appropriated such additional sums as may be required to carry out the provisions of this act. All funds for carrying out the provisions of this act shall be available for allotment to bureaus and offices of the Department of Agriculture, and for transfer to such other agencies of the Federal Government as the Secretary of Agriculture may request to cooperate or assist in carrying out the provisions of this act.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, line 16, after the period insert the following: "In determining specific cotton to be exchanged under this act, the determination shall be made by sampling and selection at the place where the cotton is stored on the date of enactment of this act, and no cotton shall be exchanged which, after such date, is transported to another place and there sampled and selected."

Mr. FULMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in listening to the debate on this bill I have been very much amused. My good friend from Michigan ran all around over the lot and made a fine statement, but barely touched on the question now pending before the Committee. The real purpose of the bill that we are now considering is to permit the exporting of 600,000 bales of cotton, and all this question about where the cotton is located, where it should be located, or just how you are going to move it, or whether or not it ought to move, are questions far removed from the question pending before the Committee.

In 1936, I believe it was, the Commodity Credit Corporation under rules and regulations of their own decided to move the cotton from the warehouses out in the country, mostly farmers' warehouses, into the central part of the States. There was so much kicking about this unfair move on the part of the Commodity Credit Corporation until they put a stop to that program.

Later they agreed to turn the cotton, or lots of it, back to farmers, and farmers have to sell from receipts, in that their cotton had been moved.

In the Sixty-seventh Congress, during my first term, I introduced, and there was passed, what is known as the United States Cotton Standards Grading Act. Later on every foreign country in buying our cotton accepted our standards, and today it is a universal standard in the grading of cotton. In other words, we now have licensed graders and they grade this cotton in every State, in every port, and in many of the larger warehouses and cotton centers, certifying the grades. Today, as stated, these certified grades are accepted in every foreign country. Of course, they have the right to reject and call for an arbitration.

As to the 600,000 bales of cotton we are talking about, you do not have to take a bale of it to any port for the purpose of sampling and grading. This cotton will be sold on sample, and the 600,000 bales can be located in any State or in any warehouses where it can be properly graded and certified to. These grades are sent to the representatives of Great Britain by sending the actual samples taken from the cotton.

They have the right of passing upon the grade of the cotton, accepting or rejecting any part of it, as stated. Think about it, my friends, for that is the actual practice in exporting cotton. The Anderson Clayton Co. is the largest exporter in the United States or perhaps in the world, located in Texas. They are exporters in all of the cotton pools. Do you think that an exporter would have to go out and buy

2,000 bales, having same shipped into Charleston, S. C., for instance, for the purpose of selecting 1,000 bales to be exported? That is the most ridiculous thing I ever heard of.

What the gentleman from Michigan wants to do, and what the Commodity Credit Corporation wants to do, is to have complete control and do as they please about it, just as they did after we passed the agricultural bill. We said in that bill that they could not move the cotton unless the farmers agreed to it, for the cotton belongs to the farmers, and a lot of it is in the farmers' warehouses.

What did they do? They wrote in the application for a loan a release, and the farmer had to sign it to get his loan, and in doing so he was signing away his rights. We had to pass another bill amending the act to further protect the farmer and the warehouseman. Mr. Chairman, the only question before the House this afternoon is in reference to the passage of a bill permitting this country to barter with Great Britain 600,000 bales of cotton. All of this talk about having to ship in 3,000,000 bales for the purpose of getting 600,000 bales, so that some agent from Great Britain can come over here and examine and agree to it is nonsense. That statement was made for the purpose of getting complete control of the cotton, so that the Commodity Credit Corporation, under the influence of people who own the large warehouses, can take it wherever they please. I hope you will vote down every amendment that is offered, and vote for this bill as amended by the committee amendment, which will give them the right to export 600,000 bales of cotton. They can get it in my State, just as in Texas or anywhere else. They may ship it to those ports for export. They do not have to take a bale from the ports of Texas or any other port. If the other matter is an important question, let that come before the Congress in the proper way so that it can be properly debated. [Applause.]

[Here the gavel fell.]

Mr. THOMAS F. FORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have just heard a very illuminating statement on the real facts involved in this controversy. What the United States is trying to do is export 600,000 bales of cotton and thus reduce the terrible overhanging surplus of cotton that we now have. Of course, there has been injected into this controversy a battle between the port warehouses and the inland warehouses. As to that battle I have no interest one way or the other, but the Banking and Currency Committee in its wisdom, or otherwise, as you may see fit to designate it, undertook to append to this bill an amendment that would balance the controversy between the ports and the inland warehouses. Therefore that element is out.

What we are interested in at the present time is the exportation to Great Britain of 600,000 bales of cotton, and to take therefore an equivalent amount of rubber that this country would need in case of an emergency. I plead with you not to permit the warehouse proposition or the ridiculous proposition that some Members will try to inject as to rates, and so forth, to enter into the consideration of this bill. I tried to get the gentleman from Michigan to yield to me on a matter that was before the committee. He stated that I was not fair with him when I asked him to do that. The proposition that he has put before this House has no bearing whatever on the present situation. He is attempting to amend existing law that has no place in this particular bill.

Mr. Chairman, I do not come from a cotton country. I have no interest in cotton so far as my particular district is concerned. What I am interested in is to have this 600,000 bales of cotton shipped from the United States to some other country and that we get in exchange for that an equivalent amount of rubber that this country may use in case of an emergency. I plead with you not to let these fellows muddy up the waters with extraneous matters. I ask you to vote for this bill as it stands. [Applause.]

Mr. THORKELOSON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I am going to speak about money.

Theoretically we are trading cotton for rubber, but we are actually exchanging these commodities for gold credit. Before going off the gold standard, our dollar was worth 25.8 grains of gold. It is now worth 15.521 grains of gold. England abandoned the gold standard before, but did not tie the pound to a fixed gold content. So we may assume that prices on commodities in England are still based upon the old valuation of the pound.

Rubber is now worth 16½ cents a pound while cotton is worth 9 cents a pound. In order to demonstrate this, I shall assume that cotton and rubber are worth the same, namely, 10 cents a pound. If we ship a thousand pounds of cotton to England, it will be worth approximately 20 pounds sterling in English money. In our money it will be \$100, or 1,552 grains of gold. The rubber which amounts to the same in dollars will be, according to the old valuation, worth 2,580 grains of gold, for we must assume that commodities in England are still sold on the old standard of gold to the dollar, namely, 25.8.

When this product reaches England, we will find there will be a difference of 40 percent in the grain gold value. In other words, our 1,000 pounds of cotton will represent 1,552.1 grains of gold, and 1,000 pounds of rubber will represent, on the old gold standard, 2,580 grains of gold. In order to balance the difference in grains of gold it will be necessary for us to furnish an additional 400 pounds of cotton. For example, we give England 1,400 pounds of cotton to balance the international exchange on this trade or barter.

Mr. THOMAS F. FORD. How many pounds?

Mr. THORKEKELSON. Fourteen hundred pounds.

Mr. THOMAS F. FORD. Fourteen hundred pounds?

Mr. THORKEKELSON. Yes.

Mr. THOMAS F. FORD. That is an awful amount, I am sure.

Mr. THORKEKELSON. That is a very intelligent remark, I would say. I am dealing with this thing as an example and I do not think the gentleman understands it.

Mr. MASON. He did not recognize the fact it was an example the gentleman was using.

Mr. THORKEKELSON. This simply means we will have to give an additional 40 percent in value as a subsidy to England, because international trade balances are settled on a gold basis. In other words, we will be paying 23 cents a pound for the rubber that we could buy for 16.5 cents a pound, which is now the prevailing market price, or we will sell the cotton to them for 5.4 cents in American money. The people who will pay the difference will be the taxpayers of the United States and the people who will receive the benefit will be the people of England. You are giving them in this transaction 40 percent in value, because the English money is not tied to a fixed gold standard. This, of course, is a possibility. It would have been much better for the United States had we gone off the gold standard entirely, for international transactions would then have been conducted on the old valuation, namely 25.8 grains of gold. The fact that we have tied our dollar to a fixed gold content of 15.521 grains of gold may prove very embarrassing to us at some future date. If the President devalues the dollar to the point allowed, namely, 12.9, it will probably end in a muddle, because there is danger in playing with the gold content of money. Had we gone off the gold standard entirely, all international transactions would still be carried on the old valuation, which would mean that 1 ounce of gold would buy only \$20.67 of credit, as it did before 1933. It is the taxpayers in the United States who pay the difference, and it is they who pay all the losses. It is the taxpayers who are going to set it right when they realize the manner in which business is handled today. I do not believe the people of the United States or the taxpayers are willing to donate to Great Britain or any other foreign country 40 percent of the value of any commodity, because it can only end in poverty and bankruptcy for ourselves. [Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD to the committee amendment: On page 2, line 20, after the word "selected", change period to a colon and add "Provided, That in determining specific cotton to be exchanged as set out above, preference shall be given to cotton drawing the highest storage rate, to the extent same may be done effectively and efficiently."

Mr. CRAWFORD. Mr. Chairman, the effect of this amendment is to effect a saving for the taxpayers of this country in that the Government is taking title to this cotton, and this amendment would enable and authorize the Commodity Credit Corporation to draw cotton for the filling of the English barter agreement from those warehouses where high storage rates are being charged the Commodity Credit Corporation by the warehousemen. It is a direct approach to the problem of the cotton, which is actually to be delivered in filling the barter agreement between the United States and Great Britain.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Of course, the gentleman understands that compressed cotton is carried at a much lower rate than the baled cotton because the package is only about one-third as large. This amendment would mean that you would not take any of the cotton at the port where the cotton is now ready to go. You would go inland and take it all from the inland warehouses, and the transaction would be much more costly to the Government. The gentleman's amendment is not practical at all.

Mr. CRAWFORD. Mr. Chairman, the terms of the barter agreement as set forth in the Senate document is available from the clerk of the Senate. This cotton must be compressed. Those who are familiar with ocean shipping, and particularly with the bulkiness of cotton, know that it must be compressed and reduced in physical volume before the British Government will accept it in the barter deal. This is specifically provided for in the terms of the barter agreement. Of course, all of this cotton is going to be compressed before it is delivered, and it will be compressed at the expense of our people, and not at the expense of the British Government. If the Commodity Credit Corporation has the power to effect reduced rates or reasonable rates on the storage of cotton, this is one way to proceed to do it; and I ask that the amendment be adopted.

Mr. STEAGALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, storage charges on cotton have varied from time to time. They run all the way from 12 cents in some instances to 18 cents. The highest rate being paid is 18 cents, until the last crop was stored. I am advised that on the last crop a charge of 25 cents is being paid. This information comes from the Commodity Credit Corporation officials.

Mr. FULMER. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from South Carolina.

Mr. FULMER. May I say to the gentleman that the 25-cent charge has reference only to certain small warehouses. Today, with a new crop, they still charge the regular price of 12, 15, or 18 cents per bale, depending on where the cotton is located.

Mr. STEAGALL. In any event, if large quantities of the 1934-35 crop should be drawn in supplying the 600,000 bales provided for in the bill, the provisions of the amendment before the Committee would seriously interfere with the administration of the act in accordance with the purposes disclosed by the officials of the Commodity Credit Corporation. They have stated to me repeatedly that it is highly desirable and it is their purpose to supply the 600,000 bales of cotton from the cotton on hand accumulated from the 1934 and 1935 crop to the extent that it can be used to meet British specifications and the balance from the accumulated stock of the 1937-38 loan cotton as must be used. For that reason, it seems to me, the gentleman's amendment would be confusing and render very difficult the administration of the act, as contemplated by the officials of the Corporation.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from California.

Mr. THOMAS F. FORD. Is not the gentleman trying to amend existing law that has no reference to this particular project whatever?

Mr. STEAGALL. The whole controversy here is whether we shall permit this bill to be used for the purpose of nullifying the former action of Congress on repeated votes of the two Houses of Congress. We departed from it only in our efforts to remove every possible ground of complaint against the action of our committee in the adoption of the committee amendment. Under the committee amendment, the Commodity Credit Corporation could go into the interior warehouses and grade and sample and select the entire amount of 600,000 bales of cotton to be delivered under the contract with Great Britain, but they could not deliver more than that. Certainly it cannot be said that such a provision as that is discriminatory against the large warehouses in which a large portion of this cotton is stored. The Commodity Credit Corporation has stated that for whatever portion of the cotton they take from the interior they will take three bales for one. The last estimate of the amount at the port warehouses is only 100,000 bales. If that is true, they would get 1,500,000 bales from the interior, when only a third of that is required for delivery under the contract with Great Britain.

Mr. Chairman, the pending amendment should be voted down, unless we desire to raise here and now the old controversy about the storage of cotton and nullify the former action of the Congress.

[Here the gavel fell.]

Mr. JONES of Texas. Mr. Chairman, I offer a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Texas as a substitute for the committee amendment: On page 2, line 15, after the word "Act", strike out the period and insert colon and the following: "Provided, That in effecting delivery under any exchange agreement, preference wherever practical shall be given to cotton already at port locations, and only such quantities of cotton shall be reconcentrated from interior points to port locations as are reasonably necessary to replenish such port stocks and such additional amounts as are reasonably necessary to carry out such exchange agreements effectively and efficiently."

Mr. CRAWFORD. Mr. Chairman, the chairman of the Committee on Agriculture, the gentleman from Texas [Mr. JONES], says that my amendment would wreck existing law. I call the attention of the House to section 383 of the Agricultural Act approved February 16, 1938, subsection (b). That subsection refers to cotton owned by growers. In no way does my amendment refer to cotton owned by growers. If the gentleman will refer to Public, No. 660, of June 16, 1938, he will find that deals with cotton owned by growers. I am not dealing with those two acts. That is what constitutes existing law, and the chairman is well aware of the fact that that law deals with cotton owned by growers, who have put their cotton in the loan. My amendment was not what the chairman of the Agricultural Committee offered. It is this simple language which a high-school student can understand, namely:

Provided, That nothing herein shall be construed as preventing the reconcentration of cotton owned by the United States Government or any of its agencies, where a saving in carrying charge can thereby be effected.

But, what right have we to maintain existing law if existing law prevents the Commodity Credit Corporation from saving money for the taxpayers of the country? They talk about the power of the port fellows. It is the power of the interior as well as of the port fellows who hold up these storage rates. Let us look at the storage rates in the warehouses in the State of South Carolina, referring back to the statement the gentleman from that State made. Here are the documents of the Commodity Credit Corporation which show that warehouses in South Carolina are charging 25 cents per bale per month on the 1938-39 loan cotton. Out of that entire colossal group of warehouses there are some

10 warehouses I believe which are charging about 18 cents per bale per month. The others charge 25 cents per bale per month. Warehousemen inform me that they can make a profit of 4 or 5 or 6 cents per bale per month on an 11-cent-per-bale storage rate, to say nothing about the 25-cent rate.

My simple amendment provides that the Commodity Credit Corporation shall be permitted to effect a savings on cotton owned by the Government. Furthermore, the committee amendment offered by the Committee on Banking and Currency was injected into this bill. Why did they inject that storage proposition into the bill? Why did they not accept the Senate bill? It is entirely acceptable to me. The amendment offered by the gentleman from Texas [Mr. JONES] is acceptable to me, provided he will add this:

Provided, That nothing herein shall be construed as preventing the reconcentration of cotton owned by the United States Government or any of its agencies, where a saving in carrying charges could thereby be effected.

Why are we not willing to save fifty or one hundred million dollars to the taxpayers?

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. JONES of Texas. Does not the gentleman realize that under the present law, if the rates are substantially lower at the port location, they can now require them to modify or reduce their rates?

Mr. CRAWFORD. No, sir; I do not realize that, because I hold a copy of the present law in my hands, and it carries no such provision. It says if the carrying charges are substantially in excess of the average carrying charges available elsewhere. What are they? Twenty-five cents per bale per month. That is the hook in this thing. You cannot go out and show that charges elsewhere are any less, substantially—and we disagree on that word "substantially." When 80 or 90 percent of the warehouses are charging an average rate of 25 cents per bale, you cannot say that substantially the carrying charges are less than 25 cents.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I am only going to take a minute or two. I dislike very much to oppose my chairman, because I am usually with him. But he mentioned a while ago the trouble we had when the Commodity Credit Corporation had full power to do as it pleased. When they reconcentrated cotton at the expense of the farms and small warehouses, much of it had to be shipped back. The gentleman from Michigan [Mr. CRAWFORD] would permit the Commodity Credit Corporation to ship to the ports perhaps 5,000,000 or more if they wanted to. Under the amendment offered by the gentleman from Texas [Mr. JONES] they will pass on what will be the reasonable and necessary amount to ship. They could decide three or five million bales just as easy as one million. They do not have to take a bale of cotton from the ports. They can take every bale of the 600,000 bales from any warehouse in the Cotton States. We have numerous warehouses with over a million bales. They have every grading facility there you have at the ports or anywhere else. It is graded and passed upon by a Federal grader, and certified by the Federal Government, and accepted in every foreign country. The United States standard grades today are universal grades. Every year they send delegates from the various cotton countries, and they come here and pass upon the standards to be used. All cotton is graded, based on United States standards agreed upon as indicated. There will not be anybody here from Great Britain to look at the cotton, but they will look at it over there, and if it is not the proper grade or color, in line with samples submitted or set forth in the invoice, they can refuse any part of it, and the United States Government will have to make it good if a mistake has been made in grading.

I regret that many Members are taking the time in debating everything else except the real purpose of this bill.

I hope that both of these amendments will be voted down. [Applause.]

[Here the gavel fell.]

Mr. THOMAS S. FORD. Mr. Chairman, I move to strike out the last word.

I understand that my distinguished friend from Michigan [Mr. CRAWFORD] objects to my use of the word "honest" in my statement. I want to modify that to the word "fair." Thank you.

Mr. PACE. Mr. Chairman, this bill gives authority to the Commodity Credit Corporation to carry out the terms of the barter or exchange agreement recently entered into between the United States and Great Britain, and I sincerely hope that the amendment offered by the gentleman from Michigan will be defeated and that the bill will be passed as reported by the committee.

It has been a long and difficult effort to complete this exchange agreement with Great Britain, whereby that nation agrees to accept 600,000 bales of cotton and we agree to accept in exchange an equal quantity in value of rubber. Both countries agree that this cotton and this rubber will be permanently stored away, taken off the market, and to be used only in case of war. This means that 600,000 bales of our surplus cotton will be disposed of; and as the Government now has over 11,000,000 bales under loan, I think such exchange is very much in the interest of the cotton farmers of the South.

Realizing the benefits to our cotton farmers, I became deeply interested in this subject of barter or exchange of surplus agricultural commodities some time ago. In early February we had under consideration in the Committee on Military Affairs, of which I was then a member, a bill to secure some very necessary metals and materials which are not produced in this country—such as rubber, tin, tungsten, and manganese—and which are very vital to our defense in the event of war; in fact, we could not successfully carry on a war without them. The War Department estimated that we should purchase at least \$100,000,000 worth of these necessary materials.

Having some concern over the rapidly increasing national debt, being anxious to save this \$100,000,000 if possible, and also realizing the fact that we have an enormous surplus of cotton on hand, which naturally tends to keep down the price, I then suggested to the committee and questioned witnesses on the proposal of exchanging surplus cotton for these materials. Dr. Feis, economic adviser in the Department of State, testified that such a plan was possible, and I think a great deal of the credit for the negotiation of this agreement is due to him and Secretary Hull. They are now at work on similar agreements with other countries, in cooperation with the Department of Agriculture, and I hope we can soon complete other agreements which will remove more of this surplus cotton.

It is most unfortunate that the gentleman from Michigan should offer his amendment, which injects a very controversial question and might endanger the entire program. His amendment proposes that a great portion of the loan cotton be moved from the small inland warehouses and stored at the ports. There are two very serious objections to his proposal.

First, it would mean that our local warehousemen would be deprived of the privilege of keeping this cotton on storage in our home warehouses and denied the benefit of the storage charges paid by the Commodity Credit Corporation. Many of these warehousemen are farmers themselves and produced some of this cotton. Many of them advance money to the cotton farmers in order for the farmers to plant and harvest their cotton crop. It will, therefore, be seen that these warehousemen have a deep personal interest in the cotton. In addition, a great majority of these warehousemen have constructed additional warehouses at considerable expense in order to store this cotton for the Commodity Credit Corporation, and certainly it would be most unfair to take the cotton away from them and store it in port warehouses, which are owned by large corporations and which have had no part in producing the cotton or in cooperating with the farm program. These port warehouses are, for the most part, owned by one or two big cotton operators who have in the past shown very little consideration for the welfare of the cotton farmers,

while our local warehousemen are among the best friends the farmers have ever had.

In the second place, it would be unfair to the farmers themselves to invite immediate foreclosure on the cotton loans. Right now the farmers are picking up a few dollars—from \$1 to \$5 per bale—on the sale of their loan contracts. Some of the cotton mills are in need of some grades of cotton, and they are paying the farmers these small amounts for their loan contracts. They then pay off the loan with the Commodity Credit Corporation and take over the cotton.

The Commodity Credit Corporation should not foreclose the cotton loans until they have a sale for the cotton, nor should the cotton be removed from the locality where it was produced as long as it is under loan. The farmer wants to know where his cotton is, and if he has an offer for sale he wants to be there when it is sold. That could not be if his cotton was stored in some port warehouse hundreds of miles away.

I want to see our small inland warehouses given a square deal and I insist that they be given the consideration to which they are entitled. But most of all, above everything else, I want to see the farmer who produced the cotton get every single penny he can out of it. For several years he has not received as much as it cost him to produce the cotton, and I think the Government should carry these loans until there is an opportunity to dispose of some of the cotton, as under this exchange agreement with Great Britain, or until there is a chance of sale at a fair price. The farmer is entitled to first place in our consideration of these questions.

And with a new crop coming on the market within a few days, it is most important that this loan cotton be handled with great care and not dumped on the market. That would wreck the price for this year's crop.

Mr. JONES of Texas. Mr. Chairman, I desire to submit a unanimous-consent request.

The CHAIRMAN. The gentleman will state it.

Mr. JONES of Texas. Mr. Chairman, in an attempt to effect a compromise I offered my amendment, but since it is not agreeable to those who are supporting the amendment of the minority side I ask unanimous consent to withdraw my substitute.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Texas [Mr. THOMAS] is recognized for 5 minutes.

Mr. THOMAS of Texas. Mr. Chairman, I am informed by the Commodity Credit Corporation that the present cost to the Government for handling this cotton is approximately \$45,000,000 per year. This goes into storage charges, interest, and general expenditures. They also tell me that the Corporation is now paying a general average of approximately 20 cents per bale per month for all the cotton it has for storage.

I am also informed by the Corporation that it has recently sent out to the port warehouses throughout Texas asking those warehouses to bid competitively on the handling of this cotton. It is my judgment that the committee amendment will stop this competitive bidding. I am told that the warehouse people, both interior and port, can make a reasonable return upon their investment on a charge of 12 cents or 14 cents per bale per month for the storage of this cotton.

I ask: Why stop competitive bidding and pay 20 cents per bale per month when we can get it for 12 cents or 14 cents? I cannot by the wildest stretch of the imagination believe that in doing this we are helping the farmer. All we are doing is to subsidize two powerful, competing groups; and I might add—although some think to the contrary that the interior warehouses are the most powerful and the wealthiest—the records of the Commodity Credit Corporation show that the biggest warehouse in the United States is located in Memphis. It is the Federal Compress Co., and it now has 2,500,000 bales of cotton in storage for which it is receiving approximately 20 cents per bale per month. This is twice as much cotton as any other warehouse in the United States has received from the Commodity Credit Corporation.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield.

Mr. CRAWFORD. The Commodity Credit Corporation informs me that the Federal Warehouse and Compress Co., of Little Rock, will, within a few days, be paid \$5,176,000 for storage on the period now about to end, estimated to be paid from August 1, 1938, to July 31, 1939; and that one of the concerns at Memphis, the Union Compress Warehouse, will be paid \$794,000.

Mr. THOMAS of Texas. I thank the gentleman for his contribution.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I prefer not to yield, if the gentleman will pardon me.

Here is an opportunity to save the Government some money, if you want to do it. Here is an opportunity to give it to people who need it. By competitive bidding we can save \$10,000,000. Now, let us give it to the dairy farmers, let us give it to the potato farmers, let us give it to the cotton farmers. If you want to save some money, here is the opportunity to do it.

Mr. BROWN of Georgia. Will the gentleman yield?

Mr. THOMAS of Texas. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Does not the gentleman know that the large interior warehouses, few in number, own and control all of the port warehouses and one of the number I refer to controls more than 50 percent of the port warehouses?

Mr. THOMAS of Texas. No; that is not correct. The biggest company in the United States is an interior warehouse, the Federal Compress Co. I got these figures from the Commodity Credit Corporation, and they are available. They have 2,500,000 bales of cotton now, which is twice as much as any other corporation has.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I want to read two lines of existing law adopted in the form of an amendment to a former bill. This amendment was written and offered by the gentleman from Texas [Mr. JONES]. Here it is:

If carrying charges are substantially in excess of the average of carrying charges available elsewhere and the local warehouse, after notice, declines to reduce such charges, such written consent as provided in this amendment must not be obtained.

That means that the Commodity Credit Corporation is authorized under existing law to seek the lowest storage rates obtainable and there is nothing to keep them from doing it. There is no reason to change this law in order to export 600,000 bales of cotton under the provisions of this bill.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent that my amendment to the committee amendment may be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. CRAWFORD]?

There was no objection.

The Clerk again read the Crawford amendment to the committee amendment.

Mr. MAHON. Mr. Chairman, in 1937 my congressional district produced more cotton than any congressional district in the United States. Warehouses were already in existence in that district to take care of a part of that cotton, but in order to take care of the tremendous amount of cotton that went into the 1937 loan, a large number of additional warehouses were erected within the interior of my district. I take it that this is about what happened throughout the Cotton Belt.

Many of these warehouses were constructed by the people locally and with local capital. Any attempt to empty these interior warehouses to swell the income of the port warehouses is wrong in principle. If the ports had produced the cotton in the first place, the ports would have the first claim upon it. But the cotton was produced in the interior and since this cotton is being held in storage we should not con-

centrate at port any more than is needed for the purpose of exporting cotton. [Applause.]

I should like to make my position clear. I do not want to hamper in any way the execution of the barter agreement with Great Britain. I would like to see every warehouse in the interior and at port emptied if we could transport this cotton abroad and sell it in the markets of the world. My primary interest is not in the warehouseman but in the farmer.

In carrying out the exchange agreement with Great Britain, I should like to see all parts of the Cotton Belt contribute a reasonably proportionate share of the cotton. This would be fair both to the ports and the interior. I firmly believe that the great majority of warehousemen would approve this course. It would not be fair to empty the interior warehouses, shipping the cotton to port, when there is no need to do so under this little barter arrangement with Britain. All I want is a fair deal for the interior cotton farmer and warehouseman. The ports do not have the first claim on this cotton, yet the port warehouses have some rights, too, and they ought to be respected.

It has been argued that the warehousemen are being paid an excessive charge for storing this cotton. The farmer made no great profit on this cotton and not for one moment would I urge that the warehouseman receive an excessive storage fee from the Government. I do not know what a fair storage charge would be, but that should have nothing to do with reconcentration of this cotton at port. The ports should be paid a fair storage charge and the interior warehousemen should be paid a fair storage charge. Certainly the Commodity Credit Corporation can work out a storage rate based upon past experience that will be reasonably satisfactory to all parties concerned, including the Government.

The committee amendment may not be perfect, but if there is anything radically wrong with it, this can be worked out in conference with the Senate. The Jones amendment, now withdrawn, has some good features, but I think we ought to stay with the committee and the committee amendment. In conference with the Senate the matter can be given further consideration and something that will be equitable and workable for the ports and the interior and the Government can be arrived at.

Mr. HOBBS. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Alabama.

Mr. HOBBS. I agree with the gentleman 100 percent and I wish he would explain that a large part of the charges is not warehouse charges but is insurance which is paid by the warehouseman.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. Conditions in your district and in mine are very similar. Is it the gentleman's judgment that the committee amendment will meet the gentleman's desires?

Mr. MAHON. I think the committee amendment will meet the situation, but let the conferees work that out. Why not let the committee go to conference with this bill and work out something that will be agreeable and fair to the interior warehouseman and the port warehouseman?

Mr. THOMASON of Texas. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. THOMASON of Texas. Is it not true many of the small warehouses were erected and are owned by farmers and local people?

The legal title to much of this cotton is still in the farmers. The farmers and the local warehousemen are pleased with present arrangements and local storage, and ought to be left alone. Of course excessive charges should not be tolerated by interior or port warehousemen. But I want it understood I oppose the transfer to port of any unnecessary amount of this cotton.

Mr. MAHON. I thank the gentleman. Many of the warehouses in my section are owned by these local individuals. The same is true throughout the interior. I dare say that practically all the port warehouses are owned by big interests.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Something has been said about the Federal Compress Co. I call attention to the fact that those institutions own compresses throughout Mississippi, Louisiana, Arkansas, and the other Southern States; so all the money does not go to one compress located at one place.

Mr. JONES of Texas. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. JONES of Texas. Many of these local warehouses are owned by the farmers themselves?

Mr. MAHON. Many of these local warehouses are owned by the farmers themselves, and if there is any money to be made out of the farmers' cotton why should it not go to the communities that produce the cotton?

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close now.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama [Mr. STEAGALL]?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CRAWFORD] to the committee amendment.

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—ayes 98, noes 121.

So the amendment to the committee amendment was rejected.

The CHAIRMAN. The question recurs on the committee amendment.

The committee amendment was agreed to.

Mr. MARTIN of Massachusetts. Mr. Chairman, I offer an amendment. [Applause.]

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Massachusetts: On page 2, line 15, after the period following the word "act", insert the following: "The Commodity Credit Corporation is authorized and directed to provide for the warehousing, in or near cotton-manufacturing centers in New England, of such reasonable amounts of cotton held as security for loans as the Corporation deems necessary to meet current local manufacturing needs. The amount so warehoused shall not at any time be less than 300,000 bales. In carrying out the two preceding sentences, the written consent of the producer or borrower to reconcentration, as provided under subsection (b) of section 383 of the Agricultural Adjustment Act, as amended and supplemented (relating to the manner of securing consent to reconcentration of cotton), shall not be required."

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Chairman, I sincerely hope that when the vote comes upon this amendment it will be as enthusiastic as your reception.

Seriously, I believe this amendment should commend itself to the Committee. There are 12,000,000 bales of cotton held in storage in this country. All New England is asking is that less than 3 percent of this great amount, or 300,000 bales, should be kept in the warehouses of New England. We desire this volume may be available for immediate supply to the textile manufacturers of that great section of our country.

There is no question but the textile mills have been passing through very hazardous times. They do not have the money today that they had previously with which to make long commitments in the purchase of cotton. I honestly believe the keeping of this limited amount of cotton in New England would be of benefit to the cotton farmers of America, because it would definitely mean that the cotton consumed in the New England mills would be cotton grown in the South.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. New England will buy that cotton if it is stored there.

Mr. MARTIN of Massachusetts. Yes. Such an arrangement would be as much a stimulant to the sale of cotton as will the barter agreement provided for in the bill now pending. If you have goods to sell, it is generally well to have them placed where there are purchasers.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. It would also mean that the New England mills would have a normal supply of cotton on hand at all times to take care of local needs.

Mr. MARTIN of Massachusetts. Exactly.

I wish to point out, too, the cost of storage of cotton in New England would be only approximately 12 cents per bale per month, whereas, as has been stated on this floor this afternoon, the average charge paid today by the Government is 20 cents.

We hear about a warehouse monopoly. I do not know whether or not it exists, and I hope it does not exist. However, if it does exist, it should command the attention of Senator O'MAHONEY, who is now conducting an inquiry into monopolies. The Government should first put its own house in order.

Mr. Chairman, in order to aid the cotton farmers of the South retain a valuable market, to save money in storage charges to the Government, and to help the textile industries of New England, which are in a dire plight, I ask this amendment be adopted. This small amount of cotton stored in New England, where it will be quickly available to the textile manufacturers of that section of the country, will be extremely helpful and will be an aid to business. [Applause.]

Mr. CASEY of Massachusetts. Mr. Chairman, it is seldom that I find myself in accord with the gentleman from Massachusetts [Mr. MARTIN]. Of course, when I say "in accord" with him, I mean on political matters. Personally, the entire delegation from Massachusetts, whether we be Republicans or Democrats, has always had the greatest feeling of love and affection for him. We are very happy to know that the feeling which has existed among both the Democratic and Republican Members of the delegation from the State of Massachusetts is shared by the entire membership of the House. [Applause.] I am very happy to have this rare privilege of agreeing with my friend on a matter that is purely political.

I do not see any reason why New England should not have its share of the storage of this cotton. We have a great deal of space up there that was formerly occupied by cotton machinery. Cotton mills have moved out of New England but there still remain mills that are in the cotton business. This would be a great help to the cotton factories that use your cotton and make it into the finished product. For the life of me I cannot see why New England should not have its share of storing this surplus cotton. New England can store this cotton just as cheaply if not more cheaply than any other section of the country because of the vast available storage space there.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. I yield to the gentleman from Texas.

Mr. MANSFIELD. Does not the gentleman believe that since our foreign market for cotton is badly knocked out a greater proportion of our cotton will hereafter be milled in the mills of the United States?

Mr. CASEY of Massachusetts. I believe that is perfectly true. If that is so, I believe New England will do its share of milling that cotton. Historic New England has the mills. The storage of this cotton in New England will accelerate cotton manufacturing and thereby help the cotton industry.

Mr. Chairman, I hope the amendment offered by the gentleman from Massachusetts [Mr. MARTIN] is adopted by this Committee. It is a fair and equitable one which calls for a proper apportionment in the storage of cotton.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. I yield.

Mr. PACE. The amendment provides that the farmer's consent shall not be necessary. Does the gentleman seriously contend that you should take a farmer's cotton while he owns it, merely having a loan on it, and haul it 1,000 miles away before he sells it, where he would have no jurisdiction over it?

Mr. CASEY of Massachusetts. I do not believe the gentleman rightly interprets that section or the amendment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. I yield.

Mr. AUGUST H. ANDRESEN. This language refers to cotton to which the Government has already taken title.

Mr. CASEY of Massachusetts. This is cotton which the Government owns and the title has passed from the farmer. So the application as expressed by the gentleman from Georgia is not accurate. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. MARTIN].

Mr. KERR. Mr. Chairman, I offer an amendment to the gentleman's amendment that after the words "New England" insert "and North Carolina," and I will not ask to be heard on the amendment to the amendment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I make the point of order that the amendment is not in proper form, not having been submitted in writing.

The CHAIRMAN. The Chair sustains the point of order.

Mr. KERR. I will reduce it to writing.

The CHAIRMAN. The time has come to vote on the amendment.

Mr. WHITE of Idaho. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITE of Idaho. Just what is meant by "New England"?

The CHAIRMAN. That is not a parliamentary inquiry.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand the regular order.

Mr. KERR. Mr. Chairman, I ask unanimous consent that I may have time within which to put my amendment in writing.

Mr. BOLLES and Mr. ANDREWS objected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. CRAWFORD), there were—ayes 148, noes 109.

So the amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. SPARKMAN, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (S. 2697) to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad, pursuant to House Resolution 273, he reported the same back to the House, with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEMOCRATIC CAUCUS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Speaker, my remarks are addressed to my Democratic colleagues. I know that my Republican colleagues will understand the situation. As chairman of the Democratic caucus I am announcing to my Democratic colleagues, as they have been advised by the printed notices, that there will be a Democratic caucus tomorrow night at 8 o'clock. Due to the brief period in which the notice is sent I take this opportunity to make this brief statement and to inform my colleagues that some important matters will be taken up at the caucus and to urge all Democratic Members present who are in town tomorrow night to be sure to attend.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. BOLAND. Mr. Speaker, I likewise address myself to the Democratic Members of the House, stating to them that it is the wish of the Speaker and of the leader that all of our Members attend that caucus tomorrow evening.

VICE PRESIDENT JOHN NANCE GARNER

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUTHER A. JOHNSON. Mr. Speaker, as chairman of the Texas delegation of the House, and acting upon authority vested in me by the unanimous consent and agreement of all Texas Members in Washington, I rise to read for the information of the House the following statement which reflects the sentiments of the Texas delegation:

The Texas delegation in the House of Representatives has been informed of the bitter personal attack made upon Hon. JOHN NANCE GARNER, our distinguished Vice President, before the House Labor Committee today by John L. Lewis.

We who know him best cannot refrain from expressing our deep resentment and indignation at this unwarranted and unjustified attack on his private and public life.

The Texas delegation has complete confidence in his honesty, integrity, and ability.

[Prolonged applause, the Members rising.]

APPROPRIATIONS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, resuming the colloquy with the gentleman from New York [Mr. TABER], interrupted this morning by expiration of the brief time allotted, the statement of the gentleman from New York is entitled to especial attention. In effect it concedes the accuracy of the figures which I gave this morning, and the inaccuracy of the figures published on Tuesday, unless there are included in both estimates the reappropriations made at the two sessions of Congress. To include reappropriations in such statements is both illogical and misleading, and is at variance with the practice both of the House and the Treasury Department. Never in any similar statement made either by the Secretary of the Treasury or by the committee, have reappropriations been included. Secretary Mellon, frequently referred to on this floor as the greatest Secretary of the Treasury since Alexander Hamilton, in none of his statements included reappropriations, and no chairman of the committee, from Thaddeus Stevens down to the present time, including Chairmen Randall, Cannon, Madden, or Wood, or the ranking member of the minority, in making their annual résumés of appropriations at the close of the session, included reappropriations in their statements. The reason is obvious. To include such funds is to count them twice. They are counted the first time when appropriated and they are counted the second time when reappropriated. In fact, in some cases where expenditure of appropriations extends over several years, as in case of aviation, and so forth, the effect of including reappropriations would be to count them three or four times. I trust that in the future, estimates will adhere to the only tenable

method, the method practiced by all Treasury and committee officials from the beginning of the Republic.

The SPEAKER. The time of the gentleman from Missouri has expired.

PERMISSION TO FILE REPORT

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent that the Committee on Labor have until midnight tonight to file a report on a bill.

The SPEAKER. Is there objection?

There was no objection.

NAUTICAL EDUCATION

Mr. BLAND submitted a conference report and statement on the bill (H. R. 5375) to promote nautical education, and for other purposes.

AMENDING MERCHANT MARINE AND SHIPPING ACTS

Mr. BLAND submitted a conference report and statement on the bill (H. R. 6746) to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American Merchant Marine, and for other purposes.

ADMINISTRATION OF UNITED STATES COURTS

Mr. CELLER submitted a conference report and statement on the bill (S. 188) to provide for the administration of the United States courts, and for other purposes.

CIVIL SERVICE RETIREMENT ACT

Mr. RAMSPECK submitted a conference report and statement on the bill (S. 281) to amend further the Civil Service Retirement Act, approved May 29, 1930.

PROPAGANDA IN THE CAPITOL

Mr. KELLER. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes on a matter that will interest the entire House.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KELLER. Mr. Speaker, there is a man who walks the halls of this Capitol Building by the name of Aled Davies. Mr. Davies is an employee of Frank Gannett, the notorious tory publisher. Mr. Davies is the Washington representative of the National Committee to Uphold Constitutional Government. He boasts that he and Frank Gannett "are the committee." Mr. Davies has an office in the Munsey Building in downtown Washington, but he seems to carry on most of his work here in the Capitol. He operates in this manner: From downtown he calls his New York colleagues and requests them to call him at different places in the Capitol Building.

Yesterday at 3:45 p. m. Mr. Davies took one such call on an office phone here in the Capitol Building. To someone at the other end of the line bearing the title of doctor—could it have been Dr. Rumley, whom Senator MINTON's lobby investigation revealed to be Frank Gannett's tool in the operation of the Committee to Preserve Constitutional Government? To this doctor he revealed the following:

A certain Senator [naming him] was pleased with the telegram, and it will be in tomorrow's Record. He [the Senator] states that there is confusion among the new dealers. They are split on the prevailing-wage amendment. Some want to hook it on the spend-lend bill but fear the House would block that.

He then mentioned a circular letter and stated that 51,000 had already been sent and that the printer was being pushed for the rest. He then stated that more than 351,000 letters would be sent out if the debate on the spend-lend bill lasted until the middle of next week.

[Here the gavel fell.]

Mr. KELLER. I ask unanimous consent for 2 additional minutes.

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, was the gentleman present in the Labor Committee this morning when John Lewis made that statement?

Mr. KELLER. Yes, I was.

Mr. HOFFMAN. Did you offer any objection?

Mr. KELLER. I did not.

Mr. HOFFMAN. You thought it was true, did you?

Mr. KELLER. I did not ask you for that, or anybody else.

Mr. HOFFMAN. No, but I am asking you. [Laughter.]

Mr. SCHAFER of Wisconsin. Reserving the right to object—

The regular order was demanded.

The SPEAKER. Is there objection?

Mr. ANDREWS. Mr. Speaker, I object.

Mr. KELLER. Mr. Speaker, Mr. Davies stated after the telephone conversation closed that these letters urged the recipients to write their Senators a letter protesting against the spend-lend bill.

He further stated that they were trying to get Father Coughlin to speak against the bill this coming Sunday.

He further stated that the letters would be sent under the auspices of the National Committee to Preserve Constitutional Government.

When chided about using Father Coughlin to this end, he replied, "Hell, I would use a rat to put over my ideas."

It seems to me that a lobbyist who gets so bold as to carry on his nefarious work right under the noses of the Members of Congress ought to be kicked out of the Capitol Building.

This little incident should demonstrate the need for the lobbyist registration law we passed in 1936 here in the House, but which the Senate failed to pass. I shall introduce a bill to at least limit such form of propaganda.

Most important of all, however, here is clearly revealed the way in which the "public" is inspired to protest against legislation; here is the source of these "floods" of telegrams and letters; here stands revealed the iniquitous scheming in high places to discredit democracy.

Who are these men? Where does this money come from to finance these hundreds of thousands of letters? What is their object? Do they tell? Not if they can help it. But I am going to tell.

It was this same outfit who by this same method brought about the first defeat of the reorganization bill, causing a large expense to the Government and a long and unnecessary delay in putting into effect many efficiencies and savings.

THE FARM MACHINERY TRUST

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GOSSETT. Mr. Speaker, the Seventy-fifth Congress by joint resolution created the Temporary National Economic Committee. To the \$500,000 appropriated for the use of the committee by the Seventy-fifth Congress, this Congress has added \$600,000, making a total of \$1,100,000 to be used by this committee to investigate monopoly and the concentration of economic power in this country. This committee is charged not only with the duty of investigating the existence of monopoly but with the additional duty to report proper legislation for the destruction of such monopolies. When its labors are finished, I am sure the committee will have done a good job, a badly needed job. That many harmful and vicious monopolies exist in this country, I am sure will be admitted. It is my purpose to call to the attention of the committee and of the Congress one especially harmful trust and monopoly which the committee must not overlook in its proposed action.

In an effort to assure and to speed the destruction of this particular trust, I last week introduced the following resolution:

Resolved, etc., That the Temporary National Economic Committee created by Senate Joint Resolution 300 of the Seventy-fifth Congress for the purpose of investigating monopoly and the concentration of economic power, be, and is hereby instructed to report and recommend to the Congress at its next session legislation to effectively and permanently break up and destroy the trust and monopoly now existing in the agricultural implement and machinery industry of this country, the existence of such trust and monopoly, and its destructiveness to the farmers of this country, being well known, and also having been conclusively estab-

lished by an investigation of the Federal Trade Commission pursuant to Senate Joint Resolution 277 as adopted by the Seventy-fourth Congress. The report of this investigation is available to the committee and to the Congress as House Document No. 702, third session, Seventy-fifth Congress.

I wish to call the attention of the Congress to this report of the Federal Trade Commission and to a few well-known facts about the Farm Machinery Trust. Most of this 1,200-page report is evidence furnished by the machinery companies themselves. In the light of their own testimony, they stand convicted of maintaining a monopoly through which the farmers of this country are charged exorbitant and unreasonable prices for the machinery they are compelled to buy. In the Commission's report we find this language:

The prices of farm machinery rose in far greater proportion from 1916 to 1929 than did the prices of farm products. * * * There was a general increase in the price of farm machines from 1933 to 1935. * * * The general upward trend in the price of farm machines continued through 1936, 1937, into 1938.

What happened to the price of farm products during these years is well known to all. We have witnessed in the economic life of this country a startling situation. While prices of farm commodities have gone down, the prices of farm machinery have gone up. While the prices of many other commodities, such as automobiles, have gone down, the prices of farm machinery have gone up. At this time in the terms of farm commodities, many farm implements cost the farmer several times what he paid for them 10 and 15 years ago. In fact, the family-sized farmer can no longer buy machinery necessary to run his farm. If present trends continue, family-sized farmers, if they continue to exist, will be forced to the dangerous, undemocratic necessity of pooling their resources to buy community machinery.

In the above-mentioned report by the Federal Trade Commission, we find that some five machinery companies, among which there unquestionably is a trust combination, probably do better than 90 percent of the farm-machinery business of this country. One company, the International Harvester Co., does better than 50 percent of all the farm-machinery business of this country. This company pretends to make only a reasonable profit, but to its cost of production is charged exorbitant salaries for many executives, the cost of maintaining tremendous and unnecessary sales and promotion forces, and other items unfair to charge to the cost of the machine. In 1927 the International Harvester Co. paid a total compensation per officer of \$142,940 to each of 11 officers, \$147,524 to each of 12 officers in 1928, \$161,193 to each of 13 officers in 1929. The president of International Harvester Co. in 1927 received \$353,386; in 1928, \$405,909; in 1929, \$412,860. The Allis-Chalmers Manufacturing Co. for years has carried on its books "goodwill and patents valuation" at an average valuation of \$12,000,000. Deere & Co. carried "Trade names, trade-marks, patents and goodwill" from 1910 to 1929 at a valuation of \$17,904,000. And notwithstanding such methods of calculating its production costs and profits, taking its own figures, the Commission found that the profits of Deere & Co. were as much in 1937 as in 1929. That was largely true of the other companies.

I wish to quote further from the Federal Trade Commission's report, as follows:

The practice of merging competitors followed by various farm-machinery companies with respect to different lines has been going on for half a century and has tended to a constantly increasing concentration of economic power. It has also facilitated price control and price understandings among competitors, either by following a leader or by price agreements or both.

In a publication by the Agricultural Adjustment Administration of the Department of Agriculture entitled "Briefly Speaking," on July 18, 1939, there is quoted with approval the following:

Prices of farm machinery in 1938 were close to the highest figures in nearly 30 years of Government record. Prices declined somewhat from 1929 to 1933, but then rose sharply, and in 1938 prices of farm machinery other than motor vehicles were 58 percent above the 1910-14 level. The peak for the 30-year period

was in 1920, approximately 65 percent above pre-war. Prices of motor vehicles—automobiles, trucks, and tractors—also rose rapidly from 1933 to 1938 after a small decline in the great depression.

The courts have been unable to break up the farm-machinery trust under present laws. Legal proceedings were instituted against the International Harvester Co. in 1912 for a violation of the Sherman Antitrust Act. This case terminated in 1918 after running the gamut of the courts with little accomplished. The case was reopened in 1923, and again the International Harvester Co. escaped unharmed and continued its domination of the farm-machinery field.

The situation demands new and effective legislation in order to destroy this trust and monopoly that has for years preyed upon the farmers of this country.

A free and prosperous agriculture is essential to a free and prosperous nation. The farmers of America must not become economic slaves. When the farmers can sell for a fair price and when the farmers can buy for a fair price, Government subsidies will not be necessary. Let us hasten this day by the destruction of the farm-machinery trust. [Applause.]

REPLY TO CRITICS

Mr. THOMAS F. FORD. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. THOMAS F. FORD. Mr. Speaker, just a few moments ago we saw a display of apparent affection and confidence on the part of Members of the House for the distinguished Vice President of the United States. The occasion for that was caused by the fact that some statements regarding the Vice President had been made by a member of a labor organization.

I am wondering, from a Democratic standpoint, why on July 13, 1939, the Members of this House sat supinely and listened to a Member of the opposition make a number of statements about the President of the United States, one of which was:

Only an egocentric megalomaniac would have the nerve to ask for such a measure.

What this House was being asked for at that time was to accept the library the President is presenting to the United States; and I think it is poor Democratic philosophy to let that go by and then arise in wrath over an attack on another Democrat. [Applause.]

EXTENSION OF REMARKS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a couple of excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EVEN THE PATIENT, LONG-SUFFERING DONKEY CAN BE KICKED INTO MILD RESENTMENT

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 2 or 3 minutes, whatever the rules permit.

The SPEAKER. Without objection, the gentleman from Michigan is recognized for 2½ minutes.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the donkey is meek, patient, submissive, long-suffering; does little, if any, thinking for himself; usually follows unerringly not only the commands but the suggestion of his master. He is a loyal beast, thinking no thoughts for himself but content to follow the slightest whim of his driver, even though it lead him away into the desert where there is little, if any, water and no pasture, and an intelligent beast would see that at the end of the journey was starvation and a flock of vultures.

Hence, it is that the donkey, during the past 6 years has been the emblem which most accurately depicts the lack of method, of purpose, the blind allegiance to the commands

of the chance master, and the utter disregard of the certainty of national bankruptcy and the probability of communistic stable mates awaiting it at the end of the President's present term of office.

It is more than surprising that the Democratic leadership has at last been prodded into audible resentment because of the lashings which its Vice President today received from John L. Lewis.

We all remember that Lewis' organization contributed \$470,000 to the New Deal campaign fund. Lewis seems to feel, and at times has acted, as though his \$470,000 had bought him a President of the United States and twice he has demanded, after his organizations had called strikes, that the President come to his assistance.

You on the Democratic side let this conduct, insulting in the highest degree to the President of the United States, pass unnoticed, unrebuked, probably on the theory that it was not worthy of an answer. Nevertheless, some of Lewis' followers, because it was undenied, were encouraged in their lawlessness, in their assumption that he was the "big boss" and could give orders to a President.

Lewis himself probably assumed that he was immune from those rules of conduct which govern the utterances of the ordinary citizen; that, having for so many years imposed his will upon workers, he had a license to vilify even high Government officials.

This morning, making a statement before the House Labor Committee, whose chairwoman and some of whose leading members just the other day assured us that it was fully capable of taking care of all matters which came before it, unrebuked by any member of that committee, John Lewis, appearing for the purpose of aiding it in arriving at a decision as to whether the wage-hour law should be amended, what scope those amendments, if adopted, should cover, without any justification, wholly out of order, made the statement that a Republican minority of the House—

Aided by a band of 100 or more renegade Democrats, have conducted a war dance around the bounden, prostrate form of labor.

This false and malicious statement was followed by another equally false, equally malicious and vindictive, scurrilous, and slanderous attack upon the personal character of the Vice President of the United States.

Lewis' attack upon JOHN N. GARNER could in no conceivable way aid the committee in determining any question which was before it. It could not possibly add force to any argument which Lewis might make concerning the inadvisability of amending the wage-hour law. It was nothing less than the verbal vomiting of a putrid mind, the vaporizing of the warped soul, and the wicked heart of an individual whose greedy, grasping, evil designs upon the pocketbooks of the workers of America had been in part thwarted, according to Lewis' idea, by the activities of the Vice President of the United States.

The mass murder at Herrin, Ill., on June 21, 1922, rests squarely upon the shoulders of John L. Lewis, and from that day to this his activities have been followed by coercion, intimidation, bloodshed, and death. Yet he has the effrontery, the impudence, to come before a committee of Congress and to make an unjustifiable, an unfounded, a dirty, lying assault upon the personal character of the Vice President of the United States, and to our shame, be it said that the chairwoman of that committee, at the conclusion of his statement, said:

Thank you, Mr. Lewis, for your very fine contribution to this meeting.

Some unthinking persons have suggested that Lewis' unprecedented outburst grew out of some suggestion made to him during his visit to the White House last week and that it is an attempt to kill the Garner boom for President. Whatever its source, whatever its purpose, it has no place in the records of this body and should be expunged.

Between June 1, 1935, and June 1, 1937, Lewis' United Mine Workers collected from the paychecks of the workers of this country more than \$7,000,000. Organizations with which he is affiliated, or similar in some degree, have made

political contributions, while a like privilege is denied to business corporations.

Lewis assumes to be the spokesman of labor. He pretends to be the friend of labor. He sheds crocodile tears over the want, the misery, the privation suffered by workingmen, while he himself enjoys the princely salary of \$25,000 a year. He rides in a conveyance fit for a king, for a millionaire, while those who pay for his gas, his clothes, his automobile, and his chauffeur delve in the bowels of the earth to eke out what he says is a miserable existence.

He is a fraud, a hypocrite, who would deny employment, unless tribute be paid to him, to the poorest, the humblest worker in our land.

Let the House support House Resolution 196 which I offered on May 18. Let it support the resolution which I will offer, to investigate John L. Lewis, his C. I. O., his and its sources of income and the manner in which it is spent. Then and only then will we deflate, break the bubble of egotism from which this man is suffering. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. DITTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address I delivered.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. DITTER]?

There was no objection.

DISABILITY ALLOWANCE FOR WORLD WAR VETERANS

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida [Mr. GREEN]?

There was no objection.

Mr. GREEN. Mr. Speaker, I ask recognition at this time only for the purpose of making an announcement. On the Speaker's desk is petition No. 19. The bill covered by that petition would restore the disability-allowance pensions for World War veterans, which was repealed through the Economy Act. Those who are friends of that cause should sign petition No. 19.

RULES COMMITTEE

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until 12 o'clock tonight to file reports on rules.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

Mr. MAPES. Mr. Speaker, reserving the right to object, the Rules Committee in the last few minutes has reported three important rules, one on wages and hours, one on the housing bill, and one on the Home Owners' Loan Corporation bill. If this consent is granted, will the gentleman from Texas tell us which one will be taken up first?

Mr. RAYBURN. It has been the intention to take up the housing bill first.

Mr. MAPES. How long will it take? The rule provides for 4 hours' general debate.

Mr. RAYBURN. We hope to complete that Saturday.

Mr. MAPES. Then the other bills will be taken up?

Mr. RAYBURN. The other bills will be taken up in order. I have not discussed this with the Chairman of the Rules Committee, nor have I discussed it with the Speaker and the Members with whom I usually consult about the program.

Mr. MAPES. My understanding is that the Committee on Labor this afternoon reported a bill and instructed its chairman to ask the Speaker for recognition Monday to make a motion to suspend the rules and pass it without coming to the Committee on Rules for a rule. Can the majority leader tell us whether the procedure voted by the Committee on Labor will be followed or whether the rule reported by the Committee on Rules a few minutes ago on that subject will be called up?

Mr. RAYBURN. I would be assuming, because the power of recognition rests with the Speaker, and I have not discussed it with him; therefore I do not know.

Mr. MAPES. I may say that some of us in the committee did not support the closed rule that was reported by the Committee on Rules to consider labor legislation but on the contrary voted against it.

Mr. RAYBURN. I say I would be presuming if I should say what the Speaker might do. I have not consulted with him whether or not he will recognize anyone to suspend the rules on a matter of that kind on Monday.

Mr. SACKS. Mr. Speaker, reserving the right to object, may I ask the majority leader a question about the wage and hour rule. Is that on the Norton bill?

Mr. RAYBURN. I understand so.

Mr. SACKS. Or on the Barden bill?

Mr. RAYBURN. There was a bill before the committee known as the Norton bill, as I understand it. Some member of the Rules Committee may be here to answer the question. It reported a rule making in order amendments to the Wage-Hour Act.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, in view of the explanation made by the majority leader that the housing bill will be brought up first, may I comment on the fact there has been a great deal of uncertainty during the week concerning what the Rules Committee would do on applications for rule. The Banking and Currency Committee has been busy considering another very important piece of legislation, the so-called lending bill. Speaking for myself, I know I have had little or no time within the last few days to give very much consideration to the merits or demerits of the housing bill. I think it only fair under the circumstances to give this House an opportunity to study that bill in anticipation of bringing it up at a definite time. I see no reason why the housing bill should not be brought up Saturday or Monday, which will give us ample time to get our wits together and present it intelligently to the House. In view of the fact that this gives us a very limited time in which to get our case together, I will have to object to the request of the gentleman from Texas that the Committee on Rules may file a report by 12 o'clock tonight.

EXTENSION OF REMARKS

Mr. CASEY of Massachusetts, Mr. SHANLEY, and Mr. MYERS asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from the Sino-Korean People's League.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from an editor of a paper in Iowa.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

COMMITTEE ON RULES

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I understand that the House is at the present moment stalling for time in order that the Committee on Rules may file a report. It is not my purpose to keep the House in session unnecessarily. If it is the purpose of the leadership to hold the House in session to afford the Committee on Rules an opportunity to file the report before we adjourn, then, of course, nothing can be gained by my objecting to the filing of the report tonight. I should like to know if that is the purpose of holding the House in session.

Mr. RAYBURN. I may say to the gentleman that we will not do more than complete the general debate on the bill tomorrow. There will be an hour of debate on the rule and

4 hours of general debate. We certainly could not read the bill tomorrow. I believe it is fair to the House that Members have the benefit of the general debate, with a night to go over the bill.

Mr. WOLCOTT. May we have the distinct understanding that we shall not have a vote on final passage of the bill tomorrow, providing the rule is adopted?

Mr. RAYBURN. We will not. I say that to the gentleman because I do not believe we can do more than complete general debate tomorrow.

Mr. WOLCOTT. Then, if the gentleman will renew his unanimous-consent request, I shall not object.

Mr. RAYBURN. Mr. Speaker, I renew my request.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend in the RECORD the remarks I just made.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. PACE. Mr. Speaker, I ask unanimous consent to revise and extend in the RECORD the remarks I made today.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

AMENDMENT OF BANKRUPTCY ACT

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House the Speaker may be authorized to sign the enrolled bill (H. R. 5407) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory and supplementary thereto.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 18. An act authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry;

S. 522. An act to provide pensions to members of the Regular Army, Navy, Marine Corps, and Coast Guard who become disabled by reason of their service therein, equivalent to 75 percent of the compensation payable to war veterans for similar service-connected disabilities, and for other purposes; and

S. 2482. An act authorizing the President to present a Distinguished Service Medal to Rear Admiral Harry Ervin Yarnell, United States Navy.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 30 minutes p. m.) the House adjourned until tomorrow, Friday, July 28, 1939, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1053. A letter from the Acting Secretary of the Treasury, transmitting the draft of a proposed bill for the relief of J. Frank Kuner, private, uniformed force, United States Secret Service; to the Committee on Claims.

1054. A letter from the Assistant Secretary of Commerce, transmitting the draft of a proposed bill to amend laws for preventing collisions of vessels; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. House Joint Resolution 290. Joint resolution referring the claims of the Kiowa, Comanche, and Apache Tribes of Indians in Oklahoma to the Court of Claims for finding of fact and report to Congress; without amendment (Rept. No. 1333). Referred to the Committee of the Whole House on the state of the Union.

Mr. DeROUEN: Committee on the Public Lands. H. R. 6668. A bill to grant the State of North Carolina a right-of-way for the Blue Ridge Parkway across the Cherokee Indian Reservation in North Carolina, to provide for the payment of just compensation for said right-of-way, and for other purposes; with amendments (Rept. No. 1334). Referred to the Committee of the Whole House on the state of the Union.

Mr. PACE: Committee on Agriculture. H. R. 4088. A bill to amend the Commodity Exchange Act, as amended, to extend its provisions to fats and oils, cottonseed, cottonseed meal, and peanuts; with amendments (Rept. No. 1335). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES of Texas: Committee on Agriculture. H. R. 7342. A bill to amend the Emergency Farm Mortgage Act of 1933, as amended; with amendment (Rept. No. 1336). Referred to the Committee of the Whole House on the state of the Union.

Mr. CELLER: Committee on the Judiciary. S. 1773. An act to provide that no statute of limitations shall apply to offenses punishable by death; without amendment (Rept. No. 1337). Referred to the House Calendar.

Mr. LEA: Committee on Interstate and Foreign Commerce. S. 1996. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.; without amendment (Rept. No. 1340). Referred to the House Calendar.

Mr. HOLMES: Committee on Interstate and Foreign Commerce. S. 2188. An act granting the consent of Congress to the Providence, Warren & Bristol Railroad Co. to construct, maintain, and operate a railroad bridge across the Warren River at or near Barrington, R. I.; without amendment (Rept. No. 1341). Referred to the House Calendar.

Mr. PEARSON: Committee on Interstate and Foreign Commerce. S. 2242. An act creating the Memphis and Arkansas Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Memphis, Tenn.; and for other purposes; without amendment (Rept. No. 1342). Referred to the House Calendar.

Mr. RYAN: Committee on Interstate and Foreign Commerce. S. 2306. An act relating to the construction of a bridge across the Missouri River between the towns of Decatur, Nebr., and Onawa, Iowa; without amendment (Rept. No. 1343). Referred to the House Calendar.

Mr. PATRICK: Committee on Interstate and Foreign Commerce. S. 2392. An act to legalize a bridge across Bayou La Fourche at Cut Off, La.; without amendment (Rept. No. 1344). Referred to the House Calendar.

Mr. MARTIN of Colorado: Committee on Interstate and Foreign Commerce. S. 2407. An act granting the consent of Congress to the counties of Valley and McCone, Mont., to construct, maintain, and operate a free highway bridge across the Missouri River at or near Frazer, Mont.; without amendment (Rept. No. 1345). Referred to the House Calendar.

Mr. BOREN: Committee on Interstate and Foreign Commerce. S. 2484. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.; without amendment (Rept. No. 1346). Referred to the House Calendar.

Mr. BOREN: Committee on Interstate and Foreign Commerce. S. 2502. An act authorizing the county of Howard,

State of Missouri, to construct, maintain, and operate a toll bridge across the Missouri River at or near Petersburg, Mo.; without amendment (Rept. No. 1347). Referred to the House Calendar.

Mr. RYAN: Committee on Interstate and Foreign Commerce. S. 2563. An act to legalize a free highway bridge now being constructed across the Des Moines River at Levy, Iowa; without amendment (Rept. No. 1348). Referred to the House Calendar.

Mr. RYAN: Committee on Interstate and Foreign Commerce. S. 2564. An act granting the consent of Congress to the Iowa State Highway Commission to construct, maintain, and operate a free highway bridge across the Des Moines River at or near Red Rock, Iowa; without amendment (Rept. No. 1349). Referred to the House Calendar.

Mr. WOLFENDEN of Pennsylvania: Committee on Interstate and Foreign Commerce. S. 2574. An act authorizing the construction of a highway bridge across the Chesapeake and Delaware Canal at St. Georges, Del.; without amendment (Rept. No. 1350). Referred to the House Calendar.

Mr. HALLECK: Committee on Interstate and Foreign Commerce. S. 2589. An act to authorize the construction of a bridge across the Ohio River at or near Mauckport, Harrison County, Ind.; without amendment (Rept. No. 1351). Referred to the House Calendar.

Mr. LEA: Committee on Interstate and Foreign Commerce. H. R. 3122. A bill to extend the time for completing the construction of a bridge across the Columbia River near The Dalles, Oreg.; with an amendment (Rept. No. 1352). Referred to the House Calendar.

Mr. SOUTH: Committee on Interstate and Foreign Commerce. H. R. 3138. A bill authorizing J. E. Pate, his successors and assigns, to construct, maintain, and operate a bridge or ferry across the Rio Grande River at Boca Chica, Tex.; with amendments (Rept. No. 1353). Referred to the House Calendar.

Mr. PATRICK: Committee on Interstate and Foreign Commerce. H. R. 4040. A bill declaring Devil's Den Springs, in Decatur County, Ga., to be nonnavigable; without amendment (Rept. No. 1354). Referred to the House Calendar.

Mr. RYAN: Committee on Interstate and Foreign Commerce. H. R. 5998. A bill to amend section 32 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes," approved August 30, 1935; with amendments (Rept. No. 1355). Referred to the House Calendar.

Mr. LEA: Committee on Interstate and Foreign Commerce. H. R. 6271. A bill granting the consent of Congress to the Secretary of the Interior, the State of Washington, and the Great Northern Railway Co. to construct, maintain, and operate a combined highway and railroad bridge across the Columbia River, at or near Kettle Falls, Wash.; with amendments (Rept. No. 1356). Referred to the House Calendar.

Mr. KELLY: Committee on Interstate and Foreign Commerce. H. R. 6441. A bill authorizing the county of St. Louis, State of Missouri, to construct, maintain, and operate a toll bridge across the Mississippi River at or near Jefferson Barracks, Mo.; with amendments (Rept. No. 1357). Referred to the House Calendar.

Mr. WOLFENDEN of Pennsylvania: Committee on Interstate and Foreign Commerce. H. R. 6662. A bill granting the consent of Congress to the Dauphin County (Pa.) Authority to construct, maintain, and operate a highway bridge across the Susquehanna River at or near the city of Harrisburg, Pa.; with an amendment (Rept. No. 1358). Referred to the House Calendar.

Mr. McGRANERY: Committee on Interstate and Foreign Commerce. H. R. 6907. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the Susquehanna River, from the borough of Wyoming, in the county of Luzerne, Commonwealth of Pennsylvania, to Jen-

kins Township, county of Luzerne, Commonwealth of Pennsylvania; without amendment (Rept. No. 1359). Referred to the House Calendar.

Mr. RYAN: Committee on Interstate and Foreign Commerce. H. R. 7069. A bill authorizing Douglas County, Nebr., to construct, maintain, and operate a toll bridge across the Missouri River at or near Florence Station, in the city of Omaha, Nebr.; without amendment (Rept. No. 1360). Referred to the House Calendar.

Mr. BOREN: Committee on Interstate and Foreign Commerce. H. R. 7262. A bill granting the consent of Congress to Frank O. Lowden, James E. Gorman, and Joseph B. Fleming, trustees of the estate of the Chicago, Rock Island & Pacific Railway Co., to construct, maintain, and operate a railroad bridge across the Missouri River at or near Randolph, Mo.; without amendment (Rept. No. 1361). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. S. 2577. An act authorizing an appropriation for completing the mural decorations in the Senate reception room; with amendment (Rept. No. 1362). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 4282. A bill to amend the act of June 30, 1936 (49 Stat. 2041), providing for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, and for other purposes; with an amendment (Rept. No. 1363). Referred to the Committee of the Whole House on the state of the Union.

Mr. ENGLEBRIGHT: Committee on the Public Lands. H. R. 6446. A bill amending section 4 of the act entitled "An act to authorize the city of Pierre, S. Dak., to construct, equip, maintain, and operate on Farm Island, S. Dak., certain amusement and recreational facilities; to charge for the use thereof; and for other purposes"; without amendment (Rept. No. 1364). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 7252. A bill to authorize the Secretary of the Interior to sell or lease for park or recreational purposes, and to sell for cemetery purposes, certain public lands in Alaska; without amendment (Rept. No. 1365). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 6813. A bill to accept the cession by the States of North Carolina and Tennessee of exclusive jurisdiction over the lands embraced within the Great Smoky Mountains National Park, and for other purposes; without amendment (Rept. No. 1366). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 6658. A bill to authorize the lease or sale of certain public lands in Alaska, and for other purposes; with amendments (Rept. No. 1367). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. S. 1919. An act to provide for the acquisition by the United States of the estate of Patrick Henry in Charlotte County, Va., known as Red Hill; with an amendment (Rept. No. 1368). Referred to the Committee of the Whole House on the state of the Union.

Mr. VOORHIS of California: Committee on the Public Lands. S. 878. An act to amend the act of August 26, 1937; with amendment (Rept. No. 1369). Referred to the Committee of the Whole House on the state of the Union.

Mr. HEALEY: Committee on the Judiciary. H. R. 6051. A bill to prohibit the use of the mails for the solicitation of the procurement of divorces in foreign countries; with amendment (Rept. No. 1370). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee of conference. H. R. 5375. A bill to promote nautical education, and for other purposes. (Rept. No. 1371). Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. BLAND: Committee of conference. H. R. 6746. A bill to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes. (Rept. No. 1372). Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. CELLER: Committee of conference. S. 188. An act to provide for the administration of the United States courts, and for other purposes (Rept. No. 1373). Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. RAMSPECK: Committee of conference. S. 281. An act to amend further the Civil Service Retirement Act, approved May 29, 1930 (Rept. No. 1374). Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mrs. NORTON: Committee on Labor. H. R. 6406. A bill to amend the Fair Labor Standards Act of 1938; with an amendment (Rept. No. 1376). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 266. Resolution providing for the consideration of S. 591. An act to amend the United States Housing Act of 1937, and for other purposes; with an amendment (Rept. No. 1377). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SOMERS of New York: Committee on Coinage, Weights, and Measures. H. R. 7389. A bill to provide for the presentation of a medal to Rev. Francis X. Quinn in recognition of his valor in saving the lives of two of his fellow citizens; without amendment (Rept. No. 1338). Referred to the Committee of the Whole House.

Mr. COCHRAN: Committee on Coinage, Weights, and Measures. H. R. 7089. A bill to provide for the presentation of a medal to Howard Hughes in recognition of his achievements in advancing the science of aviation; without amendment (Rept. No. 1339). Referred to the Committee of the Whole House.

Mr. HEALEY: Committee on the Judiciary. H. R. 7132. A bill to amend an act entitled "An act for the relief of the Playa de Flor Land & Improvement Co.," approved May 21, 1934; with amendments (Rept. No. 1375). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Naval Affairs was discharged from the consideration of the bill (H. R. 7353) authorizing the appointment of Paul Crank to warrant officer, and the same was referred to the Committee on Military Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNS of Tennessee:

H. R. 7392. A bill to authorize the Secretary of the Interior to acquire property for the Fort Donelson National Military Park in the State of Tennessee, and for other purposes; to the Committee on the Public Lands.

By Mr. ROGERS of Oklahoma:

H. R. 7393. A bill to provide an old-age pension for the citizens of the United States; to the Committee on Ways and Means.

By Mr. BRADLEY of Pennsylvania:

H. R. 7394. A bill to permit the Secretary of War to lend Army rifles of a type in current use by the Army to certain organizations for ceremonial purposes; to the Committee on Military Affairs.

By Mr. RANDOLPH:

H. R. 7395. A bill to provide night differentials for certain employees; to the Committee on the Civil Service.

By Mr. MANSFIELD:

H. R. 7396. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. BREWSTER:

H. R. 7397. A bill to provide for entry free of duty of certain ground fish; to the Committee on Ways and Means.

By Mr. HEALEY:

H. R. 7398. A bill to amend the Emergency Relief Appropriation Act of 1939; to the Committee on Appropriations.

By Mr. KELLER:

H. R. 7399. A bill to permit Koreans who have been temporarily admitted to the United States as students to remain in the United States until there is a change in political conditions in Chosen (Korea); to the Committee on Immigration and Naturalization.

By Mr. SATTERFIELD:

H. R. 7400. A bill to provide for the acquisition by the United States of the Studley estate, where Patrick Henry was born; to the Committee on the Public Lands.

By Mr. JONES of Texas:

H. J. Res. 375. Joint resolution to authorize the sale of surplus agricultural commodities, and for other purposes; to the Committee on Banking and Currency.

By Mr. DOUGHTON:

H. Res. 277. Resolution authorizing the Committee on Ways and Means to hold hearings during the recesses of the Seventy-sixth Congress; to the Committee on Rules.

By Mr. WARREN:

H. Res. 278. Resolution providing for the expenses of conducting the investigation authorized by House Resolution 277 of the Seventy-sixth Congress; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLTON:

H. R. 7401. A bill for the relief of Edwin B. Formhals; to the Committee on Claims.

By Mr. KELLER:

H. R. 7402. A bill for the relief of Carl Kent Martin; to the Committee on Claims.

H. R. 7403. A bill for the relief of Tom Gentry; to the Committee on Claims.

By Mr. SATTERFIELD:

H. R. 7404. A bill for the relief of Jack Y. Upham; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5112. By Mr. HAVENNER: Petition of the San Francisco United Labor Works Progress Administration Committee, containing in excess of 3,000 signatures of San Francisco residents, petitioning Congress to amend the present Works Progress Administration Act as follows: Repeal the 130-hour starvation-wage provision, which requires most Works Progress Administration workers to work 130 hours for 68 hours' pay; the 30-day forced lay-off without pay or relief; wage cuts of \$10 to \$15 per month; restore sponsorship of Theater, Art, Music, Historical Records, and Writers Projects; work for all in need and who are eligible; stop 10,000 Works Progress Administration lay-offs in northern California; and also additional petition containing 248 signatures of San Francisco residents, sent by workers on the Works Progress Administration Sewing Project in San Francisco, urging similar amendments to the Works Progress Administration Act; to the Committee on Appropriations.

5113. By Mr. KEOGH: Petition of the Gudebrod Bros. Silk Co., Philadelphia, Pa., concerning the President's lend-

ing and spending legislation; to the Committee on Appropriations.

5114. By Mr. REED of Illinois: Petition of Emery J. Hanotte, of Joliet, and 774 interested residents of Will County, Ill., requesting congressional action seeking restoration of the prevailing-wage scale, abolition of the 130-hour provision, and the 18-month clause, and restoration of the geographical wage differential in respect to operations of the Works Progress Administration; to the Committee on Appropriations.

5115. By the SPEAKER: Petition of Clavelle Isnard, of Cherryvale, Kans., petitioning consideration of their resolution with reference to Works Progress Administration legislation; to the Committee on Appropriations.

5116. Also, petition of the Workers Alliance of America, Indianapolis, Ind., petitioning consideration of their resolution with reference to Works Progress Administration legislation; to the Committee on Appropriations.

SENATE

FRIDAY, JULY 28, 1939

(Legislative day of Tuesday, July 25, 1939)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Reverend Duncan Fraser, assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

O God, the Father of all men, who hast taught us through Thy Son to judge not lest we too be judged: Create and make in us new and contrite hearts, that, in courtesy and fair play, in peace and justice, the affairs of this Nation may be forwarded without that animosity and bitterness of heart which warp our judgments and destroy our souls. Through Jesus Christ Thy Son our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, July 27, 1939, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Johnson, Colo.	Reed
Andrews	Davis	King	Russell
Ashurst	Downey	La Follette	Schwartz
Austin	Ellender	Lee	Schwellenbach
Bailey	Frazier	Lodge	Sheppard
Bankhead	George	Lucas	Shipstead
Barbour	Gerry	Lundeen	Slattery
Barkley	Gibson	McCarran	Smathers
Bilbo	Gillette	McKellar	Smith
Bone	Green	McNary	Stewart
Borah	Guffey	Maloney	Taft
Bridges	Gurney	Mead	Thomas, Utah
Brown	Hale	Miller	Tobey
Bulow	Harrison	Minton	Townsend
Burke	Hatch	Murray	Truman
Byrd	Hayden	Neely	Tydings
Byrnes	Herring	Norris	Vandenberg
Capper	Hill	Nye	Van Nuys
Chavez	Holman	O'Mahoney	Wagner
Clark, Idaho	Holt	Pepper	Walsh
Clark, Mo.	Hughes	Pittman	Wheeler
Connally	Johnson, Calif.	Radcliffe	White

Mr. MINTON. I announce that the Senator from North Carolina [Mr. REYNOLDS] is detained from the Senate because of illness in his family.

The Senator from Ohio [Mr. DONAHAY], the Senator from Virginia [Mr. GLASS], the Senator from Kentucky [Mr. LOGAN], and the Senator from Louisiana [Mr. OVERTON] are unavoidably detained.

The Senator from Arkansas [Mrs. CARAWAY] is absent on important public business.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.